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NATIONAL MUNICIPAL LEAGUE

THE LEAGUE'S BUSINESS

The League's Forty-second Annual Conference.—Group sessions on Monday and Tuesday, both during the morning and afternoon, will provide opportunity to hear a large number of speakers at the League's annual Conference November 16 and 17 at the Commodore Perry Hotel in Toledo. This type of meeting, which also permits some time for discussion, has found most favor at previous conventions.

A round table on "The Effect of Subsidized Public Housing on Municipal Government" will meet Tuesday morning only. Mr. Ernest J. Bohn, chairman of the Housing Committee of the Cleveland City Council, will preside. A group session on the "Reconstruction of Municipal Finance" with Dr. Thomas H. Reed, director of the Municipal Consultant Service and John S. Linen, second vice-president, Chase National Bank, presiding, will be the only session meeting all day Monday and Tuesday. All other group sessions will be held through all of Monday and Tuesday morning with the exception of luncheon periods and evenings. They are: Social Security and Unemployment Relief, Fred K. Hoehler, executive director, American Public Welfare Association, presiding; Techniques of Citizen Education, and Action, Dr. Alonzo G. Grace, University of Rochester, presiding; The Problem of Law Enforcement, Leyton E. Carter, director of the Cleveland Foundation, presiding; Selection of Candidates for Public Office, Richard S. Childs, president of the City Club of New York, presiding; County Government Reorganization, the Honorable Seabury C. Mastick, chairman of the New York State Commission for the Revision of the Tax Laws, presiding; and Municipal Personnel Problems and Administration, with Dean William E. Mosher, Syracuse University, presiding.

The annual banquet of the League will take place Monday evening with Dr. Harold W. Dodds, president of the League and the Honorable Murray Seasongood, former president of the League, as speakers. Mr. W. W. Knight of Toledo will preside.

The Honorable Roy C. Start, mayor of Toledo, will preside Monday at the luncheon meeting at which Dr. A. R. Hatton, head of the political science department of Northwestern University, will speak on "The Revival of Aggressive Citizenship".

Robert Livingston Johnson, president of the National Civil Service Reform League and vice-president of Time, Inc. will be speaker at the luncheon on Tuesday. The Proportional Representation League will hold its annual meeting in connection with a dinner Tuesday night. Speakers will include Joseph D. McGoldrick, former city comptroller of New York and a member of that city's Charter Revision Commission, who will describe New York's successful campaign for proportional representation and a new charter; Judge Aaron B. Cohn and William E. Galvin of Toledo; and Henry Bentley of Cincinnati.

* * *

Nomination of Officers for 1937.—The Committee on Nominations has now issued its report on League officers for 1937. The following nominations have been submitted: *President,* Harold W. Dodds; *First Vice-President,* Marguerite M. Wells; *Second Vice-President,* C. A. Dykstra; *Treasurer,* Carl H. Pforzheimer; *Honorary Secretary,* Clinton Rogers Woodruff; *Honorary Vice-Presidents,* Frank Aydelotte, Charles A. Beard, H. L. Brittain, Henry Bruere, Charles C. Burlingham, Nicholas Murray Butler, Harry F. Byrd, Harry Woodburn Chase, Frederick A. Delano, John N. Edy, Samuel S. Fels, Mayo Fesler, Russell Forbes, A. R. Hatton, John R. Haynes, Frank O. Lowden, C. E. Merriam, W. B. Munro, Frank L. Polk, Chester H. Rowell, Murray Seasongood, Miss Belle Sherwin, Mrs. F. Louis Slade, Mr. George E. Vincent and A. Leo Weil; *Council* (three-year term), Carter W. Atkins, Louis Brownlow, Charles Evans Hughes, Jr., Frank H. Morse, William E. Mosher, William B. Moulton, Philip C. Nash, Henry D. Sharpe, Laurence A. Tanzer, W. Earl Weller (to fill unexpired term) and John G. Winant.

HOWARD P. JONES, *Secretary*

Editorial Comment
November

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Rhode Island Turns To Reform

RHODE ISLAND has been characterized as "more New England than New England". Presumably, this conjures up a picture of ultra-conservatism, charming provincialism and a thorough contentment with established institutions. A certain flinty quality in the New Englander forbids us to think of him as easy-going. He resists change, not because change involves much effort in readjustment but because, in his canny Yankee way, he sees little sense in getting things all stirred up unless he is certain to be better off afterward. His is the attitude of maturity toward change.

All the more interesting, therefore, is the suggestion from the pen of Research Director Robert M. Goodrich that Rhode Island is beginning to ponder the possibility of being the first city-state in America. The problems of conflicting and duplicating governmental administrative machinery in an area hardly the size of a fair-sized western county are forcing the Rhode Island taxpayer to serious consideration of a fundamental governmental problem—the inefficiency resulting from overlapping functions of city and state.

This is not the first time we have heard of the city-state conception in American government. Charles E. Merriam urged it seriously in 1930 as the obvious solution to Chicago's pressing financial and service problems of local government. There the immediate problem was quite different from that of Rhode Island, however. Chicago, a metropolitan area of some 5,000,000 persons, was being run entirely too much by rural-minded legislators in Springfield. Chicago could not pry sufficient home-rule power out of the legislature to solve its own problems and the legislature certainly was in no position to solve them. The sensational remedy of secession from Illinois was trotted out by Dr. Merriam, perhaps half seriously and half in an effort to dramatize Chicago's plight. Not that the suggestion from an administrative standpoint is necessarily impractical. The obstacles, legal, financial and political, are, of course, far greater to the secession of Chicago from Illinois or New York City from New York State or Detroit from Michigan than they are to the mere obtaining of adequate municipal home rule.

Rhode Island, however, is in quite a different position. Here is a state dominated by one large city and small enough to function as a city-state. Here are no obstacles to be overcome other than the usual ones of tradition, and the opposition of chronic office holders. City-state consolidation is more than a political scientist's dream—it is a potential pos-

sibility which the increasing complexity of governmental problems in Rhode Island may bring within the realm of the realizable. The suggestion has, of course, hardly reached the stage where it should be taken too seriously. For one thing, Providence is now in process of drafting a badly needed new charter for submission to the next Rhode Island legislature and presumably this should come first. Yet Rhode Island would be ideal in many ways as the *situs* of a new municipal laboratory, and the student of government cannot help but hope that out of the stirring interest in these matters, may come something new and eminently worth while.

More Call For Research Bureaus

New interest in research on the part of taxpayer groups is becoming increasingly evident with the growing realization that all the problems of local government are not by any means going to be solved automatically by the return of good times.

The revival of business naturally should instill renewed vigor into the local research bureau movement which in common with other citizen organizations financed from private sources has had tough sledding during the depression. But there is more to it than this. The business man has been taught by the depression that governmental costs do not decline with a drop in his own income. He has had to face the necessity in many instances for meeting tax bills out of capital instead of income. He is seriously alarmed by the continuing rise in governmental costs, is alert to the problems of local government as they are reflected in his own expenditures and in services to himself to an extent that has probably never before been true.

This should mean that he will want to keep track of what his local government is doing in a way that, with a few notable exceptions, he never dreamed of doing before. For this purpose he will need a research arm, a fact-finding agency that can be on the job all of the time, supplying him with the information he requires regarding the operations of the local government as well as making suggestions for improving the efficiency of administration. Unless all signs fail, the research bureau movement should receive substantial impetus in the next few years.

Municipal Problems Facing the 75th Congress

Increasing federal-city relations dictate important measures on the Congressional agenda

J. KERWIN WILLIAMS

Brookings Institution

WHEN the 75th Congress meets in January, one of the important problems on its agenda will be the framing of legislation affecting cities. This will be true regardless of which political party is in power or how great is the popular devotion to "states' rights." The growing complexity of our economic system, and the combination of inelastic local revenues with increasing demands for governmental services, will make it impossible for the legislators on Capitol Hill to sidestep entirely the problem of federal-city relations. The new and direct lines of communication and supply which have grown up between cities and the federal government are apparently due to increase rather than disappear.

This development does not mean, of course, that the galleries will ever see dignified senators creasing their brows over the installation of traffic lights in Miami, or that members of the House of Representatives will select a new fire engine for Detroit. More important still, it does not signify that the constitutional and legal status of states and cities is being altered, or that the way is being paved for a centralized Secretariat of Municipal Affairs.[1] Yet no one can deny that the incoming Congress will sit in legislative session to discuss municipal problems, and will do endless hours of committee work on bills affecting cities as political units.

The Congresses which have assembled since the low point of the depression have authorized the allotment of several billions of dollars for such purposes as public works, relief, and flood and disaster rehabilitation, and municipalities have been authorized to dip out their share in the form of loans, grants, or both, without being required to have the money funneled to them through the states. Outside the field of appropriations numerous other federal policies have been adopted which have, for example, bolstered municipal credit, provided a breathing-spell for insolvent communities, aided city tax collections, provided for coöperation with municipal police departments in crime control and police training, or given "in-service" training to city employees. The 75th Congress, therefore, is expected by municipal officials to make provision for carrying forward many of the activities already started, as well as to embark on an extended program of federal-city contacts.

MUNICIPAL "BANKRUPTCY" ACTS

The problem of municipal debt-readjustment legislation is almost certain to be considered in the coming session of Congress, since there is now no hope

[1] Cf. J. Kerwin Williams, "The Status of Cities under Recent Federal Legislation," *American Political Science Review*, December 1936.

that the United States Supreme Court will reverse in the near future its 5-4 judicial knock-out of the municipal bankruptcy act of 1934.[2] After its adverse decision on May 25, 1936 in the case of *C. L. Ashton et al. v. Cameron County Water Improvement District No. One,* the Supreme Court granted a stay of execution and the privilege of presenting the case for rehearing. In the middle of October, however, despite the requests of ten states, the court denied the rehearing, an event which may have the effect of forcing Congress to frame another law for the same purposes. Under the act of 1934, which five justices characterized as an unconstitutional invasion of the sovereignty of the states and a subjecting of political subdivisions to federal "interference," insolvent local governments were empowered to work out an orderly, voluntary readjustment of their debt structure with the consent of the Federal District Court and the holders of a large proportion of the local bonds. The adjustment ordinarily consisted merely of a postponement of maturity dates or a temporary moratorium on certain portions of the debt. Recalcitrant minority creditors were debarred, during this process of debt adjustment, from exercising their previous privilege of repeatedly mandamusing the local government to pay their claims immediately and in full.

One possible substitute for the invalidated bill is the proposal offered by Representative Wilcox of Florida in the closing days of the last session. This revised draft is based on an ingenious though not entirely tenable theory. Its proponents argue that since states are clearly prohibited by the contract clause of the Federal Constitution from passing a bankruptcy bill impairing the obligation of past debts, and the sole state power over bankruptcy is confined to prospective debts, *ergo*—the federal government is clearly not invading states' rights in legislating on the readjustment of debts incurred by localities in the past. The bill thus attempts to meet the Supreme Court's objections by confining the jurisdiction of the federal government to past and not to future debts of local units.

[2]Public No. 251, 73rd Cong., Approved May 24, 1934.

REGULATION OF BONDHOLDERS' COMMITTEES

Insolvent communities have a further interest in the 75th Congress in regard to regulation of the personnel and practices of "protective" committees formed in connection with municipal debt readjustments. A report submitted to the last Congress by the Securities and Exchange Commission[3] pointed out the need for a federal check-rein on the activities of such committees, but a bill introduced in the House to give effect to the Commission's recommendations died in committee.[4] The unsatisfactory conditions which called for the regulation of municipal bondholders' committees are still in evidence, however, and some action is likely to be taken in the 75th Congress. It is not improbable that the "protective" committees will be placed under the control of the Securities and Exchange Commission and be forced to obtain a certificate of authority from that commission before commencing activities. Under this arrangement, the committees may be required to file statements concerning their formation, personnel, finances, and activities, as

[3]Report on the Study and Investigation of the Work, Activities, Personnel and Functions of Protective and Reorganization Committees—PART IV—Committees for the Holders of Municipal and Quasi-Municipal Obligations. Released by the Securities and Exchange Commission April 30, 1936.

[4]H. R. 12078, introduced by Representative Wilcox of Florida.

well as data on the condition of their securities, under penalty of being forbidden the use of the mails or other instrumentalities of interstate commerce.

RELIEF AND PUBLIC WORKS

Another legislative problem in which cities have an interest is the amount of additional appropriations for relief and public works. At the last session of Congress, $1,500,000,000 was set aside for relief purposes, and the Public Works Administration was authorized to make grants to local governments from its $300,000,000 revolving loan fund. These sums, however, were not expected to last until the close of the present fiscal year on June 30, 1937. Further appropriations will undoubtedly have to be made, their size depending upon the extent to which private industry is able to take employables from the relief rolls.

Special provisions relating to transient relief may result from the study now being carried on in the Department of Labor in pursuance of a Senate Resolution passed June 18, 1936.[5] It is important to note, however, that the Secretary of Labor was merely authorized to study the problem of *laborers* migrating across state lines, and the suggested legislation will probably not deal with the problem of unemployable transients, a group which was returned to the care of states and localities with the passage of the Emergency Relief Appropriation Act of 1935.[6] The bills proposed in the last session by Representative Wilcox and the late Senator Park Trammell of Florida may therefore be revived, to extend federal grants-in-aid to states with approved methods of caring for needy transients, both employable and unemployable. As introduced last spring, the bills recommended annual federal appropriations of $50,000,000.

LOW-RENT HOUSING

The fate of public housing legislation in the next Congress will depend to a large extent on who is the occupant of the White House. It is safe to assume, however, that some variant of the proposed "United States Housing Act" sponsored in the last Congress by Senator Robert Wagner and Representative Ellenbogen, will at least be introduced in the next session. Up to the present time, the federal government itself has erected and administered low-rent housing projects, constructed on the application of municipal officials and civic groups. If the principle of the Wagner Bill should be put into effect, however, the purely federal housing projects would be confined to "demonstration" developments, and the main task of supplying decent low-rental dwellings would fall upon urban governments, assisted by federal grants-in-aid. The federal government would doubtless retain the right to prescribe labor standards, wages, and hours of work on the projects, and to review the cost and reasonableness of construction contracts.

R. F. C. LOANS

Another attempt may be made to have the federal government cancel the indebtedness of cities and counties growing out of advances for relief and work relief made by the Reconstruction Finance Corporation under Title I of the Emergency Relief and Construction Act of 1932. A bill to accomplish this purpose was introduced in the last

[5] S. Res. 298, 74th Cong., 2nd Session.

[6] Pub. Res. No. 11, 74th Cong. Approved April 8, 1935. This Act set up the federal work program for needy employables and returned destitute unemployables to the care of states and localities. The Social Security Act of 1935 provided for federal grants-in-aid to states having approved plans for caring for certain groups of these unemployables, such as the aged, blind, mothers with dependent children, etc.

Congress by Representative Rabaut of Michigan but was pigeon-holed in the Committee on Banking and Currency. A number of cities are still eager to have such a measure placed on the statute books, however, in order to correct a seeming injustice to political subdivisions. The provision in the act of 1932 that states should make repayment for their borrowings from the R. F. C. by deductions from future federal road grants was repealed in 1934 and no alternative procedure indicated, thus postponing state repayment for an indefinite period and possibly, in effect, cancelling the loans. Counties and cities, on the other hand, had to secure their loans by giving the R. F. C. evidences of indebtedness such as local bonds, and these obligations are now falling due. Since the borrowing cities have a total of $3,500,000 at stake, plus interest charges, and the counties owe more than $16,000,000, it is altogether likely that the question of cancellation may be threshed out on the floor of the next Congress.

LEGISLATION ON NAVIGABLE WATERS

If the 75th Congress follows up with actual appropriations the authorizations made in the last session for flood control activities, another federal-city relationship will be created. The statute which may thus be made effective provides for local contributions to certain flood control operations of the federal government on navigable waters or their tributaries. Local governments would be expected in most instances to provide the necessary lands and rights of way and to assume damage claims. Where such expenditures would amount to more than the estimated construction costs, however, local interests would be required to pay only one-half. The cost of this long-term program of flood control is expected to reach $300,000,000.

Other possible measures of the incoming Congress which cities should watch with interest are bills which may be introduced to prevent pollution of navigable waters by municipal sewage. Two important bills on this subject were introduced in the Senate in the last session, but failed to reach final action before adjournment.[7] Congress may decide, however, to meet the problem along the lines laid down in that proposal, which would have authorized the making of loans, grants, or both to municipalities for the construction, enlargement or improvement of sewage disposal plants and plants for the treatment of industrial wastes.

STRIKEBREAKERS' ACT

Industrial cities have a stake in all legislation touching labor problems. The doubtful legality of the "Strikebreakers' Act"[8] passed in the last Congress to prevent the transportation of strong-arm strikebreakers in interstate commerce may make it necessary for the incoming legislators to re-pass the bill. Due to mislabeling, the present act, which was sent to the White House for the President's signature on June 19, was not signed by the President for more than ten days after the 74th Congress had finally adjourned. If court tests should determine that the statute is therefore null and void, conditions in industrial cities might be seriously affected and re-passage of the bill would undoubtedly be considered in Congress.

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[7] S. 3958, introduced by Senator Lonergan of Connecticut, and S. 4627, introduced by Senator Barkley of Kentucky.

[8] 74th Cong., 2nd Session, passed June 19, 1936.

Rhode Island—A City-State?

Efficient government demands that this state soon decide whether to emphasize state or local authority

ROBERT M. GOODRICH *Providence Governmental Research Bureau*

THE possibility that some day Rhode Island may effect a twentieth century version of the ancient city-state is at least an engaging speculation. Not that any such change is likely to occur immediately, but the proposal already has been advanced by one of the state's prominent citizens and it is more or less assured that a group of civic leaders will give study to the idea in the coming months. To appraise the possibilities of the plan, a brief outline of the essential characteristics of the state may be helpful.

Geographically, "Little Rhody" contains 1067 square miles. Its greatest length north and south is forty-eight miles and its greatest width east and west is thirty-seven miles. The longest distance between two post offices is reported by the highway department as exactly sixty miles. For governmental purposes the 1,067 square miles of area is divided into seven cities and thirty-two towns. Each of these units is exclusive of the others and except for certain minor special districts no overlapping of governments exists except the local unit with the state.

Neither the seven cities nor the thirty-two towns have any common pattern or legal definition. Towns become cities because the state legislature passes an act stating that a certain specified area shall henceforth be known as a city and shall be governed by a city council rather than by a town meeting. The cities vary in population from 23,196 to 252,981. One with a population of 25,898 has an area of but one square mile. The smallest city in population has the largest area.

Each of the seven cities has been incorporated by a special act of the general assembly, and hence the organization, powers, and duties of each city differ materially. Because of these special charters the general assembly is called on constantly to make revisions, and no small portion of the assembly's time is devoted each year to legislation dealing with strictly local affairs.

The thirty-two towns are somewhat more uniform in character. In population they vary from 402 to 29,995 inhabitants. In area they range from about ten to sixty square miles. The unique feature of the Rhode Island town is that although it may contain within its boundaries several distinct and separate settlements or communities, each possessing a sizable population, a post-office name, and generally a considerable historic background, nevertheless such villages or settlements have no corporate identity whatsoever and rely, with but minor exceptions, on the town for such governmental services as may be required. Many of these communities have populations of several thousand people but instead of being separate municipal corporations, as would

be the case in every other state, in Rhode Island they are merely a part of the larger area known as the town.

The historic New England town meeting provides the governmental system for these areas, and the "electors of the town, qualified to vote upon any proposition to impose a tax or for the expenditure of money" assemble in town meeting at least once each year "for the purpose of ordering a tax to be levied and assessed on the ratable property of said town and the inhabitants thereof for the payment of the town's debts and interest, for the support of schools, for the support and maintenance of the poor, for the building, repairing and mending of highways, for the building and repairing of bridges, for the improvement, in any manner deemed fit, of any property belonging to the town, for all necessary charges and expenses whatsoever arising within said town—and for any or all other purposes authorized by law—".

COUNTY GOVERNMENT NON-EXISTENT

In addition to this basic structure of seven cities and thirty-two towns, Rhode Island contains five counties and some thirty or forty special districts. The five counties serve no purpose other than to define judicial districts. There are no county organizations, no county taxes, and no county officials except five sheriffs who are court officers elected by the general assembly and whose salaries are paid directly by the state. Although county government in all the New England states is of much less significance than in other sections of the country, in Rhode Island it truly may be said that county government does not exist. The court system, which is the only function to which the word county applies, is state regulated, state financed and state manned, from the lowest to the highest courts (except for a police court in Providence and a system of local probate courts).

The thirty or forty special districts provide the only instances of overlapping governments in the state. Most of these special districts have been created to make possible a system of volunteer fire protection. A few have been established to provide a water supply. Usually the districts lie wholly within a town or city, though some cut across boundary lines so as to include parts of two or more towns and cities. Each special district is created by special act of the general assembly and the powers and duties are narrowly restricted. Generally the district is given power to borrow and levy taxes, though in some cases authority is given the towns to appropriate funds directly to the special district. Because of the very limited purposes of the special districts in Rhode Island, no serious complications as yet have developed.

The distribution of governmental functions in Rhode Island between the state and the local units follows in general the usual pattern of other states with the difference that since there are no counties the state provides directly all such services as infirmaries, jails, penal and reform institutions, mental hospitals, Americanization work, rehabilitation of crippled and blind, probation work, and other functions usually rendered by counties.

STATE HAS DENSE POPULATION

Residing within this governmental pattern are 700,000 people, most of whom live and do business in the northern and eastern section of the state. The southern and western areas are devoted primarily to country estates, summer resorts, small farms and waste land. It is a curious fact that Rhode Island, which has the densest population of any state, has also the largest proportionate area in woodland.

The city of Providence, which is the center of the metropolitan district, has a population of 250,000 and an area of eighteen square miles. Immediately adjacent and surrounding Providence on all sides are two cities and three towns occupying an area of eighty-three square miles and having a combined population of 175,000. Directly beyond is another layer of nine satellite communities having a total population of approximately 100,000. The remaining 150,000 people of the state live in the area that lies more than fifteen miles from the center of Providence.

The problems created by this governmental arrangement and particularly by this concentration of population, in the main are those common to most other metropolitan areas. Certain specific problems, however, have arisen, such as an inferior police service in one community working alongside a reasonably efficient service in an adjoining community; a highly effective public health program being vitiated by an ineffective service on the other side of the boundary; services provided in one community such as hospitals, parks and recreation areas being utilized without cost by those in adjoining municipalities. These and the other more common problems of duplicated administrative machinery, unequal tax resources, conflicting jurisdictions, inadequate public service facilities and multiplicity of officials are becoming increasingly evident in this metropolitan area.

METROPOLITAN AUTHORITY

Normally, the course of procedure in moving to correct these complications and defects would be to consider the formation of some kind of an all-inclusive metropolitan authority. Such consideration, however, immediately raises the question as to the position of the state in such an arrangement. The state already has a police force, a public health service, a park department, a planning commission, a highway department, and other service agencies, and the more logical development would seem to be the expansion of these central services and the discontinuance of the local services. Opposing such a move, of course, would be the reluctance of the citizens to surrender their local autonomy.

OPPOSITION MIGHT BE OVERCOME

For a variety of reasons it seems reasonable to anticipate that this local opposition might be overcome. In the first place local autonomy is something that is talked about but seldom witnessed in Rhode Island. There is no provision granting home rule in the constitution and no restriction against special legislation. The general assembly may make no general grants of power to the local units and as a result the most detailed matters constantly go before the legislature for enactment. An example of the extent to which the state is called upon for authority in local affairs is evidenced by Chapter 2432, Laws of 1936, in which it is provided that: "The Shepard Company (a Providence retail store) is hereby authorized and empowered, with the consent of, and upon such terms and conditions as may be prescribed by the city council of the city of Providence, to build and maintain temporary structures over and across the sidewalks from its main entrances on Washington and Westminster streets . . ."

Another reason for believing that local opposition might be overcome is that the town organizations already have demonstrated that a community or settlement may maintain an identity without necessarily having a governmental organization. While there are only thirty-nine cities and towns in the

state, there are more than a hundred post offices. Citizens may take justifiable pride in residing in Lonsdale, Saylesville or Manville, but governmentally there is no separate distinction—they are all of the town of Lincoln.

Because this is accepted as a matter of course, the idea that a government is necessary to gratify local pride is less of an obstacle in Rhode Island than would be the case elsewhere.

Granted that either partial or complete consolidation were possible, the really important question that arises is whether such an arrangement would serve the best interests of the citizens and the state as a whole. Rhode Island now holds the record for having the largest number of inhabitants per unit of government and it might seem wise to leave well enough alone and proceed cautiously with any idea of decreasing the number of local units. The difficulty is that such an attitude is impractical. Neither state nor local government is static and each year dozens of new laws are enacted which in their cumulative effect ultimately will answer the question whether Rhode Island will have strong central or local government.

DEFINITE CONVICTION NEEDED

Moreover the necessity for having a definite conviction on this problem arises constantly in efforts toward improving the administrative practices of the city of Providence. Should effort be directed, for example, toward improving the public health service in the city, or will best results be attained if the service is concentrated in the state? Or again, will the best interests of the greatest number be served by amplifying and perfecting a system of state police, or will such an end be reached by improving the character of the local police forces?

To answer that the fields of state and local units are different and therefore the services of both should be improved does not answer the problem in Rhode Island. Too many services provided by the state and local governments duplicate and overlap one another and further expansion will bring these conflicts into even clearer relief.

To proceed along lines that would serve to promote a metropolitan government means in practical effect concentration on improving the local governments and opposing any extension of the state's authority which ultimately might conflict with local responsibility. To develop the city-state idea would imply approval of the expansion of state functions and the gradual transfer of responsibilities and services from the local governments to the central authority.

CONCURRENT TRENDS

Current developments seem to lead in both directions. The functions and services of the state are constantly being broadened and at the same time the towns and cities are assuming new responsibilities and improving old services. The unbridled continuation of these concurrent trends cannot possibly result in an efficient or satisfactory system of government. Whatever the proper solution may be, the fact is that "Little Rhody" has an opportunity to save itself from a heap of trouble later on by deciding now whether it wants the state or the local government to be the important cog in the governmental machine.

The Municipal Power of Investigation

A survey of city charters shows that the powers of the department of investigation and accounts of the City of New York are almost unique

SOPHIA A. OLMSTED *Examiner, Legal Division, Office of Commissioner of Accounts, City of New York*

FEW city charters have fortified their executive or administrative departments with the valuable tool of the full power of investigation. This is not to be confused with the far-reaching power of investigation which is inherent in the judiciary or in the legislative branches of all governments including the municipal.

Recent events in Newark, New Jersey, illustrate the judicial investigation of a municipal government. There five city commissioners, after several grand jury investigations and trials of other city officials, now face a sweeping court inquiry ordered by Supreme Court Justice Parker on a series of 134 specific charges of malfeasance filed by a taxpayers' group, which are to be heard by a special commissioner to be appointed by the court.

It is more or less axiomatic that legislative bodies including city councils have the power to investigate in order to determine worth while legislation. The former charter of the city of Toledo (Secs. 58 and 59) contains a typical statement of the power of investigation by council:

> The council, or any committee thereof duly authorized by council to do so, may investigate the financial transactions of any office or department of the city government, and the official acts and conduct of any city official, and by similar investigations may secure information upon any matter within its control as a legislative body. In conducting such investigations the council or any committee thereof, may compel the attendance of witnesses and the production of books, papers and other evidence, and for that purpose may issue subpoenas or attachments which shall be signed by the presiding officer of the council or the chairman of such committee, as the case may be, and may be served or executed by any officer authorized by law to serve subpoenas and other process.

For refusal to testify or to produce relevant papers or books, the council has the power to cause the witness to be punished for contempt.

A survey of the charters of various cities shows that even when the power of investigation has been granted to the executive or administrative divisions of the city governments, the power of subpoena is usually lacking.

In Cincinnati (Code of Ordinances, Ch. 2, Art. II, Sec. 4),

> The city manager shall have the power to investigate and make a survey of any department, bureau, division, office or employee, and with the approval of council may employ experts, legal counsel or consultants to aid him in such investigation or survey.

Both the city of Chicago and the city of Boston have finance commissions, but these are state agencies. The fact that the five members of the Boston Finance Commission are appointed by the governor makes it an instrumentality outside of the control of the city's executive.

> It is the duty of the commission to investigate at its discretion, all matters relating to appropriations, loans, expenditures, accounts and methods of administration affecting the city of Boston or the county of Suffolk, or any of their departments, and to report upon its investigations from time to time to the mayor, the city council, the governor, or the general court.

In Minneapolis, the Department of Investigation has no power of subpoena. Its major job is watching the budget. The discharge of city employees for wrongdoing is in the hands of the civil service commissioners. (Minneapolis City Charter, Ch. 19, Sec. 11.)

> Such charges shall be investigated by or before said civil service commission or by or before some officer or board appointed by said commission to conduct such investigation. . . . In the course of an investigation of charges, each member of the commission and of any board so appointed by it or any officer so appointed shall have the power to administer oaths and shall have power to secure by its subpoena both the attendance and testimony of witnesses and production of books and papers relevant to such investigation.

In Detroit (Charter, Chap. 3, Sec. 5), the election commission is an administrative agency with the power to subpoena witnesses.

The City of Los Angeles has established a Bureau of Budget and Efficiency. The director is appointed by the mayor, and proper financial support for the bureau and for its employees is mandatory. The charter (Sec. 398) provides that

> The Director of the Bureau of Budget and Efficiency shall have power and it shall be his duty to investigate the administration of the various departments of the city for the purpose of recommending to the mayor and council concerning the duties of the various positions in said departments, the methods of said departments, the standards of efficiency therein and such changes as in his judgment will permit economy and efficiency in the conduct of the city government.

The director of the bureau assists the mayor and council in the preparation of the annual budget and must furnish them with such aid, information or recommendations as shall be required of him in writing by them.

In its new city manager charter, the city of Toledo has retained the Commission of Publicity and Efficiency, which has been functioning well since 1917. The five members appointed for staggered terms, formerly designated by the mayor, are now appointed by the city manager. When authorized by the chief executive, the commission may conduct its investigations with the same powers of subpoena to compel the attendance of witnesses and the production of books and papers as are conferred upon the civil service commission. (Charter of 1919, Sec. 176).

The commissioners serve without compensation but employ a paid secretary. (Charter 1919, Chap. 9, Secs. 181-185). It is the duty of the commission to publish weekly the *Toledo City Journal;* "to investigate any and all departments and offices for the purpose of ascertaining the degree of efficiency with which public service is rendered"; to make periodic reports to the mayor, council and civil service commission and to make recommendations to them and other city officers; to publish these reports, recommendations and other information in the *City Journal*; to edit, print and distribute all muncipal records including annual reports of administrative departments and to collect and supply information, and statistics for all offices and departments. Power is given to the commission in that

> It shall be the duty of every office and of every department or division, through the chiefs thereof, to place at the inspection and for the use of the commission all records, reports, documents and statutes concerning said office, department or division, and to answer any interrogation of the commission concerning the working of said office, department or division, or the service rendered by

any employee within the same. It shall be the duty of the clerk and of the chairman or acting chairman of any council committee, to furnish the commission, upon the request of the secretary or of any commissioner, full information concerning the transactions or proceedings of the council, or of any committee thereof.

THE EYES AND EARS OF THE MAYOR

In the office of the commissioner of accounts of the city of New York, which is an administrative department under the mayor, known as the Department of Investigation and Accounts, popularly called "The Eyes and Ears of the Mayor", is found the most extensive application of the executive power of investigation.

TWEED LOOTING CAUSE OF OFFICE

The history of the office of the commissioner of accounts goes back to 1870, when Tweed and his cohorts looted the city treasury and saddled an enormous debt upon the taxpayers. After the exposure of that carnival of crime by the Committee of Seventy under the leadership of Samuel J. Tilden, the citizens woke up to the fact that there was need for an effectual check upon the expenditures of the city. The looting of the city treasury at that time was accomplished by collusion between the comptroller and the city chamberlain, both of whom suddenly disappeared from the city when the scandal broke. The aroused public demanded that the work of reform should not stop with the removal from office of the guilty public officials nor with their punishment, but that the law should be made as watertight as possible to prevent any future repetition of such dishonesty. A new public office, the office of the commissioner of accounts, was created, to be appointed by the mayor, removable at his pleasure, and to be entirely independent of every other department of the city government. In order to check on these other offices, the law of 1873 made it the duty of this new public officer to go into and to examine the accounts of all other city departments. Later, by the laws of 1884, the commissioners of accounts (there were two then) were given full power to compel the attendance of witnesses, administer oaths and examine such persons as they might deem necessary.

So satisfactory on the whole was this new public office found as a check on malfeasance and irregularity that the charter adopted at the turn of the century upon consolidation of the city of New York continued the office and extended its investigative powers to all boroughs and counties within the new greater city.

The office has been a magnet for able and brilliant men. John Purroy Mitchel who later became Fusion mayor had served as commissioner of accounts under Mayor McClellan in 1907 and 1908. Raymond B. Fosdick served under Mayor Gaynor from 1909 to 1911. Leonard M. Wallstein, who later became counsel to the Citizens Union and condemnation expert for the city, was appointed by Mayor Mitchel upon his accession as reform mayor in 1914 and acted as his commissioner of accounts until the end of 1917. The present incumbent of the office, is the Honorable Paul Blanshard, former executive secretary of the City Affairs Committee.

During city administrations that were not eager to have results of the commissioner of accounts' investigations made known to the public, the office has gone into temporary eclipse. In such periods of municipal quiescence the cohorts of civic righteousness have had to turn to the state legislature for first aid, to make possible such legislative investigations as the one headed by Judge Seabury in 1932.

POWERS OF THE COMMISSIONER OF ACCOUNTS

The powers and duties of the commissioner of accounts are set forth in Sections 119, 195 and 1534 of the present charter of the city of New York. These sections make mandatory certain periodic audits and reports on the offices of the comptroller and the chamberlain and the state of the city treasury and also give the commissioner the following important powers:

1. To make such special examinations of the accounts and methods of the departments and offices within the city and five counties as the mayor may direct.
2. To make such other examinations as he, the commissioner, may deem for the best interests of the city and report to the mayor and the board of aldermen the results thereof.
3. The full power to compel the attendance of witnesses, to administer oaths and to examine such persons as may be deemed necessary in order to ascertain facts in connection with these examinations.

The courts have adopted a liberal attitude in construing the powers of the commissioner of accounts. In 1907 in Matter of Hertle [in re Ahearn (borough president of Manhattan, removed by Governor Hughes), 120 App. Div. 717, affd. 190 N. Y. 531], the court stated in its opinion:

> In a great city like New York, working under a charter as complex as its charter is, public policy requires that every available means of examining the administration of the various departments and offices of the city government be utilized to their fullest extent and statutes having this object in view should be liberally construed.

Likewise, in Matter of Hirschfield v. Craig, (239 N. Y., 98, 1924), a court which placed some limitations on the power of the commissioner of accounts declared that the words "accounts and methods" used in Section 119 of the charter should be given a broad construction so as to effectuate the legislative purpose.

As late as 1931, Judge Cardozo, then chief judge of the New York Court of Appeals, in Matter of Edge Ho Holding Corporation, (256 N. Y. 374, rev'g. 231 App. Div. 595), said pointedly:

> The powers devolved by the charter upon the commissioner of accounts are of great importance for the efficient administration of the huge machinery of government in the city of New York. They will be rendered to a large extent abortive if his subpoenas are to be quashed in advance of any hearing at the instance of unwilling witnesses upon forecasts of the testimony and nicely balanced arguments as to its probable importance. Very often the bearing of information is not susceptible of intelligent estimate until it is placed in its setting, a tile in a mosaic. Investigation will be paralyzed if arguments as to materiality or relevance, however appropriate at the hearing, are to be transferred upon a doubtful showing to the stage of a preliminary contest as to the obligation of the writ. Prophecy in such circumstances will step into the place that description and analysis may occupy more safely. Only where the futility of the process to uncover anything legitimate is inevitable or obvious must there be a halt upon the threshold.

SUMMARY OF POWERS

The adjudicated cases[1] have held in detail that the commissioner of accounts has the power to examine the accounts and methods of any city department, including offices and employees located outside of New York City, and of any county office of the five counties within New York City. The examination need not deal with both the methods and accounts of the office. It may be connected with either one of them. He is not limited to an examination of the actual methods of the various offices but may investigate what their methods should be. He has the power to examine a single document which at the moment may seem irrelevant, but which may later be connected with other evidence and thus may be shown

[1]Cases summarized by George S. Elpern of the New York Bar.

to be relevant to the inquiry. His power of subpoena extends throughout the state so long as it is exercised in connection with an investigation of such department or office. He may examine private citizens who are not city employees and he may examine their books or records so long as they are relevant to a lawful inquiry. He is the judge of whether the investigation is for the best interests of the city. He may investigate elected officials as well as appointed ones and agencies only partly under city control, such as the board of education. His power of investigation is not impaired by the fact that the board of aldermen and a justice of the supreme court have a similar power, nor is it impaired by the fact that a similar investigation of the same subject matter is being carried on at the same time by another governmental agency. In 1934 the power of the commissioner of accounts to inquire into the bail systems in operation in the criminal courts within the city of New York was sustained.

THE OFFICE UNDER FUSION

Since January 1934, intense activity has permeated the Department of Investigation and Accounts. It has been substantially transformed from a department whose activities were 75 per cent in the accounting field to a department of investigations in which accounting has become incidental. A complaint bureau, the creation of which was one of Mayor LaGuardia's campaign pledges, was established in the office of the commissioner of accounts and has received almost 10,000 complaints directly from the public. Some of these have proved invaluable as tips and have led to major investigations.

PROVISIONS IN THE NEW CHARTER

Logically following the evolution that has taken place during the last three years, wherein routine accounting has been minimized and the function of investigation has been emphasized, the new charter approved by the voters of the city of New York November 3, 1936 provides that the Department of Investigation and Accounts become a simon-pure department of investigation. The commissioner of accounts will be called the commissioner of investigation. He continues to be appointed by the mayor, but in line with the recommendation in Judge Seabury's draft of a new city charter in 1933, when he proposed that the commissioner of inquiry be appointed by the council, the new department of investigation will represent not only the executive but also the legislative power of investigation.

The new charter provides: "That the commissioner shall make any investigation directed by the mayor or the council". This provision puts at the disposition of council the regular departmental staff of the commissioner of investigation and obviates the necessity for any special appropriation such as the one for $25,000 which was made in a recent investigation of the relief situation by the board of aldermen.

The full power to compel the attendance of witnesses is retained and in addition the powers of the commissioner are broadened in that he is "authorized and empowered to make any study or investigation which in his opinion may be in the best interests of the city, including but not limited to investigations of the affairs, functions, accounts, methods, personnel or efficiency of any agency."

The charter commission was evidently impressed with the success of Mayor LaGuardia's complaint bureau, for the idea has been incorporated into the new charter. It states simply: "There shall be a complaint bureau in the department which shall receive complaints from the public."

The Saga of a Village Manager

How a village manager dealt with staggering debt created through an era of expansion and easy spending

PHILIP D. TAYLOR

Wall Street Journal

LONG before the colonies in North America considered wresting political control from the English, there was a small Indian trading post, snuggled closely to a convenient harbor off Long Island Sound and named prophetically enough by the Mohican Indians, "the meeting of the sweet and bitter waters." There where the Mamaroneck River flows into the Sound, an English settler by the name of John Richbell purchased "three necks" of land for a plantation in 1697. For this territory Richbell paid a basket full of trinkets, worth at the most not more than a few dollars. Today the village of Mamaroneck makes up a $38,000,000 portion of the richest county in America, Westchester County, New York.

Mamaroneck was directly under the jurisdiction of the manor of Scarsdale until after 1788 when it became a part of Westchester County. Today, as an incorporated village, it is a political jig-saw puzzle of interlocking governments. The original community was in the town of Mamaroneck, bordered on the north by the town of Rye and on the south by the city of New Rochelle. Late in the nineteenth century when the village was formed by one group of citizens from Rye Neck on the north side of the river and another in Mamaroneck to the south, real complication in governmental control and a growing tax burden became the vogue. Thus, in Mamaroneck alone, the town of Rye, the town of Mamaroneck and the village itself, aside from the county of Westchester, all had their fingers in the government pie, and each demanded its portion of financial support. This hodge-podge of control and taxation is partially responsible for the present economic strain on the village exchequer.

The village was incorporated in 1895 by a majority of nine after several other attempts had failed. This was the beginning of an extended fight between a weak majority who favored the village plan and a strong minority who opposed it. The objecting citizens, mostly from the north side of the stream, stubbornly insisted on dissolving the village, and not until they were quieted some eleven months later, were any expenditures for improvements possible.

When the first village board of four members met in 1896, it divided itself into committees on roads, bridges, street lighting, fire, water, police, ordinances, and printing and advertising. These committees remained until the establishment of the council-manager plan in 1930.

The early financial structure of the village was modest enough with an official property evaluation of $4,425,875 and the tax levy $6,000 at a rate of

$2.85 per thousand. By 1897 appropriations had risen to $12,621, and the first village bond issue of $25,000, sold at 4 per cent with a premium, was bid on by fifteen bond houses. This money went for road repair and fire equipment. Mamaroneck lived well within its budget in 1897, provided its population with four $600-a-year policemen, and paid the village clerk $300 for the first time. But problems began rising so incessantly that the four-man board expanded to seven, expenses started swelling, the official family of public servants took a village attorney into its ranks at $400 a year, and a program of permanent improvements got under way.

During the next six years the tax levy jumped from $26,400 to $40,000, the rate from $5.228 to $6.931 per thousand. Assessed valuation at the same time was raised from five to five and a half million dollars. Major expenditures during the period were, in 1904, a $200,000 bond issue for sewer construction and $50,000 for building a playground and park on Harbor Island. Advances were also made in sidewalk construction and fire and police protection.

TAX BURDEN DOUBLED

From 1905 to 1912 the village tax burden more than doubled. It took a levy of $14.84 on a property valuation of $7,320,205 to meet the budget demands of $110,000. Civic improvements continued at a grand pace with $70,000 spent for grading and repairing the Boston Post Road and $12,500 for a new fire house, until a population of 4,870 was forced to support a debt service of nearly $500,000.

Nineteen hundred eleven was a red letter year for Mamaroneck—literally. It saw the inauguration of John F. Hunter as fifth mayor of the city, a man who put more red ink on the village books than had any other village president. It was all for the benefit of the community, this expenditure. Dr. Hunter was a large man, physically and mentally, and enjoyed arithmetic involving several digits.

LAX WITH TAX COLLECTION

An authentic physician of the family type, Dr. Hunter ran his village like a family doctor's office. He was not strict about collecting his fees as a physician and he was just as lax with taxes—in fact, he rarely paid his own. In the first year he bore the official title, village taxes rose from $10.80 per thousand to $14.84 and the budget from $78,457 to $110,000. Through the succeeding years, until Dr. Hunter laid down the official gavel after the election in 1925, the tax rate, the budget, and the total assessed valuation grew like Jack's proverbial bean stalk. From a tax rate of $14.84 in 1912, citizens of Mamaroneck found themselves paying $22.23 per thousand in 1924 to raise a budget of $312,890. Thus the budget had tripled itself and the total assessed property estimate bulged from seven to fourteen million dollars.

In 1918 when Lewis Harding took over the mayor's duties for a single term, the village fathers began to realize that some restriction must be placed on the village's debt burden. An ordinance was passed limiting Mamaroneck's bonded indebtedness to 10 per cent of the total property valuation. About the same time New York State clamped down on its municipalities, restricting their tax rate to $20.00 per thousand. Mamaroneck's bonded debt was still about $500,000 but the low valuation kept the tax rate high. Therefore, when Dr. Hunter again returned to the helm of state, the village council began jacking up the assessed valuation to allow for a higher budget. In 1920 the tax rate went down to $16.96 per thousand

but the property value rose $2,000,000. In 1921, spurred by the success of this new revenue raising plan, the village launched further improvement projects. A new sewer plant costing $375,000, a new fire house at $30,000, and an $11,000 dock improvement on Harbor Island were approved at the polls.

During the five years ending in 1927, the assessed total valuation and the annual estimate of expenses had more than doubled, from $12,000,000 to $25,000,000 and from $250,000 to $510,000. But still the march continued. Salaries were advanced all down the line, $18,000 was spent for a hook and ladder wagon, and the council voted to pay $910,000 as its share in the new Westchester County joint waterworks project. In the meantime someone stole the city street sweeper and concrete mixer, traces of which have never been found. The village purchased that year a $5,600 snow loader which lay idle in the garage for six winters before it was used.

In 1928 a total of $271,000 was appropriated for street paving. Demands for a park near the railroad station were met with a $165,000 allotment. Then, in 1929, all the various city improvement costs came home to roost. Fathers of the village found they had to make a 25 per cent elevation in the assessed valuation, which brought the total to over $35,500,000 and still the tax rate hovered near the maximum.

FINANCES NEAR ZERO HOUR

It is no wonder, therefore, that the citizens of Mamaroneck began to consider a change in government. Village finances were rapidly reaching the zero hour, where the annual budget, under the state and municipal restrictions, could no longer support the enormous debt service and meet running expenses. The 1929 election, therefore, was an expression of this desired change. It swept in a new mayor, a former tax collector and assessor, but it also approved a further road improvement program costing $367,000.

The sewage disposal plant provided by the village fathers in 1920 was declared inadequate in November 1929, and therewith the $375,000 investment was nullified. At the same time, in accordance with the Westchester County $6,000,000 sanitary disintegrating plan, the village council floated a fifty year bond issue for $1,729,000 to cover its portion of the expense. This new expenditure jumped the total bonds outstanding to over $4,000,000. (The yearly interest and retirement on these cost the village more than $385,000 in 1931 and during 1935-36 cost $487,-968.)

MANAGER PLAN ADOPTED

Then one fine morning in November 1930, the local politicians awoke to find that by a close majority of 25 citizens' votes, the village had adopted the manager plan of government. This provided a mayor and a board of directors numbering four elected by the people; the board in turn, appointed a village manager. The board of directors was to pass all legislative measures for the village. The manager was given power to appoint all employees of the community except the clerk, treasurer, and attorney, who were to receive their appointment through the board itself.

With this stroke the political atmosphere in Mamaroneck was considerably cleared. Credit for the victory was accorded largely to an active women's club and a fighting village manager league. The first man chosen, Arthur Richards, was placed in charge in October 1931. Mr. Richards, receiving a salary of $12,000, unfortunately did not have the experience stipulated in the village law, and soon found the job too much for him. As his successor, Mr.

R. J. Whitney, formerly city manager of Royal Oak, Michigan, was employed to guide the village over financial rocks which almost sent the community into bankruptcy. Mr. Whitney took charge in March 1932, at a salary of $8,000.

Village Manager Whitney thus took over the control of Mamaroneck after zealous and public spirited citizens had spent almost a quarter century building a staggering bonded indebtedness in an era of expansion and easy spending. Nothing had been considered too good for Mamaroneck until finally the operating budget in 1931 stood at $525,224 and the debt service at $385,420. In addition, property value had risen another two million dollars to $38,451,-031.

The first obvious responsibility of the new manager was to check the unbridled use of public money for improvement, reduce the operating expenses to a place where each dollar spent for labor or materials received a full dollar's value in return, and organize the village service units into a group independent of political patronage.

CURB PUT ON BOND ISSUES

An immediate curb on the issuance of bonds for the improvement of the village was instituted. Mr. Whitney formed an engineering department to insure an efficient maintenance of sewers, drains, street lights, and other village services. Highways and streets within the village limits came under the same supervision. In the five years 1930-1935 less than $100,000 in bonds were issued to improve the village. At the same time village services were maintained at a higher level because of economies in operation.

The number on the village payroll was gradually pared to a point where each man was earning his full salary. In the 1931 budget the village was paying $117,118 for police protection, owing largely to an oversized force. By 1933 this had been reduced to $83,032 and in the 1935 estimate, Mamaroneck's police department was operating on a $74,405 budget item. In 1931 the voluntary fire service cost $30,183; by 1934-5 it had been lowered to $17,630 through rigid supervision of automobile and supply expenses. A labor reduction in the village garage lowered that item from $13,950 to $6,683.

A practice indicative of the laxity under the political control previous to 1931 was the custom of some persons to call the police department when they needed a doctor. Being only too obliging, the police promptly called the physician and paid the bill at the end of the year. These medical bills for citizens of the community who knew the trick cost the village from $3,000 to $5,000 each year.

A system of consolidation in certain of the village service units led to savings in the budget. For instance the two items, welfare and public health, each having its own budget in 1931 were united soon after Mr. Whitney came to Mamaroneck. The consequent saving amounted to $6,000 annually by 1935. Nor was the service slighted. A similar saving was made in the consolidation of the clerk and treasurer into one office, a saving of $4,400 annually.

COMPETITIVE BUYING INAUGURATED

When Mr. Whitney took control, he established gradually a system of competitive buying. It has been found possible to purchase trucks at 30 per cent discount, automobiles at 10 per cent reduction and other supplies from 5 to 60 per cent less than the prices formerly paid.

With all these indications of reduced expenditure the natural tendency is to wonder how village services have fared.

Doctor Hunter, the political prince

of Mamaroneck from 1914-1925, stands out as representing the spirit of the old regime. Along in February, with a March election staring him in the face, Dr. Hunter would dismiss the 125 street employees of the city with the old story, "no more money in the budget." Streets would remain neglected until the day before election. Then the mayor would suddenly uncover some unforseen money and rehire the 125 street workers. Results were amazing at the polls.

All of this is past under the manager set-up. In fact, the city payroll, totaling on the average not more than one hundred, is usually smaller around election time. Each man works for what he earns and each man's job is dependent on the work he turns out, not on his vote in the next election.

POLITICAL STREET LIGHTING

Politics had a queer way of lighting streets. Many householders, on threat of bolting the party at the next election, received a little private street lamp directly in front of their houses. City light rates scooted upward alarmingly until in November 1931, they reached $62,500 per year. Then came the village manager. By a system of scientific street lighting, whereby each corner and each thoroughfare receives *enough* light, and by bargaining with the power companies, the village manager was able to reduce light costs to $22,800 in the present budget.

Rubbish and garbage disposal? Prior to 1931 the citizens had to set their refuse barrels out on the curb stone if they expected service. Now the village will go as far back from the street as one hundred feet to make collections. More than three hundred old automobile bodies have been removed from lots in the village and buried. The garbage contract let in 1931 called for $25,000 and rather haphazard service. The holder of the contract was pretty high handed about what he would remove in the name of garbage. The 1932 budget cut his estimate to $13,000 and today it stands at $11,000. Garbage is now picked up at the back door.

PARK UPKEEP COST LOWERED

Park upkeep has not suffered by the financial "tidying." On the contrary, with responsibility larger than it was prior to 1930, the estimate for park maintenance has been lowered from $32,718 to $17,000. The public beach is three times as big as it was formerly, trees have been planted in the parks, and playgrounds have had proper supervision.

The late depression laid another orphan at the doorstep of the community, namely, the unemployed. For this purpose, the village of Mamaroneck set aside during 1933-34-35 something like $25,000 for projects to relieve the unfortunate. And this was included in a budget that was laboriously sliding downward.

The financial calendar of Mamaroneck runs on a two-date tax collection system. Taxes are forthcoming in July and December. Since the village begins spending money on March 1, there are three months which the village must tide over with borrowed money. In 1932 the use of this short-time lending service had stretched to considerably over $700,000 and the banks declared a halt in a nice way. This outstanding short-term debt exceeded the bonded indebtedness. Owing to surpluses in succeeding budgets, however, the village had no outstanding bank loans on the unmortgaged taxes to be collected in July 1936.

The steady decline in the gross budget and the operating expenses, and the increase in income and credit as shown in the following table indicates

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State Aid and Tax Limitation In California

The combination of increased state aid and tax limitation has disappointed by failing to provide tax relief and better distribution of the tax burden

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CALIFORNIA like many another state has had to face the problem of adjusting its local finance structure to meet the demand for relief of real property. During the past three and a half years this state has carried out a program that combines local tax limitation with increased state subventions. The experience illustrates the difficulty of fixing such governmental relationships in terms of constitutional enactments.

From 1910 to 1935 the state government was supported by taxes upon gross receipts of public utilities and similar taxes whereas the local governments were supported by an *ad valorem* tax on property. In 1921 a constitutional amendment placed a fixed charge upon the counties to match state aid funds for elementary schools or provide $30 per unit of average daily attendance and to double state aid for high schools or to provide $60 per a.d.a. unit. In 1931-32 sixteen counties failed to raise the amount required by the constitution for elementary schools and twenty-three counties failed to raise the required amount for high schools. In most instances this situation was the result of an unexpectedly high percentage of delinquencies in tax collection. In a few instances the board of supervisors had refused to set a rate high enough to produce the required sums.

Agricultural, real estate and school groups combined in 1932 to propose a plan whereby the state would assume the counties' share of school costs and allocate all state aid for education according to an equalization formula. This plan was rejected by popular vote on an initiative measure, but a compromise plan was worked out in 1933, was proposed to the people as a constitutional amendment and was approved by a popular majority. Under the so-called Riley-Stewart plan the state increased its subvention for education to include the amounts formerly supplied by the counties. The additional amount was raised by a sales tax. Utility property was to be returned to local tax rolls.

State and local government expenditures have been mounting steadily in the past thirty years and the proponents of the new plan sought to prevent any new upward surge of expenditures after relieving the counties of one of the largest fixed items in their budgets. A provision was placed in the constitution prohibiting the state, counties, cities and districts from increasing annual expenditures more than 5 per cent over those of the previous year unless special action were taken. Interest and redemption charges on bonded indebtedness were exempt, however, from inclusion in the base on which the increase was to be judged. Counties and districts might exceed the 5 per cent increase upon approval of a two-

thirds vote of the electorate, the municipalities by a majority vote. All local governments might appeal to the board of equalization for permission to exceed the limit without putting the matter to a vote of the electorate. The limitation set by the constitution applied until June 30, 1935, but the legislature had power to continue the provision. The present law is effective until June 1937.

The law became operative in time to control the local budgets and tax rates for the fiscal year 1933-34. One county and 794 school districts applied for exemption the first year. Of these, seventy-seven were granted. In most instances where permission was given it appeared that the county or district could obtain federal assistance for construction. It is now apparent that had federal grants and loans not been available the tax limitation law would have produced even more stringent results than it did. Immediately after the earthquake in southern California in 1933 the legislature passed a school building law so severe in its penalties that school boards ordered the children from the buildings and laid plans for an extensive rebuilding program. Voters were in no mood to pass bond issues and the board of equalization refused to allow increased expenditures. Some districts carried out part of the building program by reducing salaries. The building program was generally delayed until relief labor and federal funds were available.

ADDED PROBLEMS FOR SCHOOL DISTRICTS

Many school districts were beginning to find that the new plan is adding to their problems rather than settling them. In most instances where the matter has been studied it is observed that the return of utility property to local tax rolls makes wealthy districts wealthier and does not help the poorer ones. An equalization fund is still a necessity. In those instances where the taxable wealth has increased the districts are not able to obtain permission to revise their budgets to meet increased school costs in a period of rising prices. This is felt more keenly because the tax limitation law was put into operation in 1933, when school district budgets had been forced to the lowest level in years by retrenchment programs.

CONFUSION AMONG COUNTIES

Among the counties the picture is confused for different reasons. The expenditure limitation law was incomplete in its definition of "expenditures." Payment of interest on bonded indebtedness and expenditures of publicly-owned public utilities were exempt as "expenditures" but nothing was said of the funds received from state subventions. Neither was there any indication as to whether the counties would be allowed to figure equal to their 1932 expenditures or whether the former expenditures for schools must be excluded. The courts were soon called upon to clarify the act in this respect. In *Crow v. Board of Supervisors of Stanislaus County,* (135 *Cal. App.* 451, 463; 27 *Pac.* (*2nd*) 655) the appellate court interpreted the intent of the act to be the lessening of the burden of taxation upon the local units and to transfer the responsibility to the state. Hence gasoline tax money could not be included in the base for determining county taxes. However, an amount equal to that raised by county taxation for schools in 1932-33 might be included in the 1933-34 budget although school support had been transferred to the state. This left the counties free to spend a rather large sum for other purposes and little or no tax reduction was effected. In *Holmes Investment Co. v. Board of Supervisors of San Francisco,* (1 *Cal.* (*2nd*) 482),

the state supreme court excluded expenditure of funds borrowed from the state for unemployment relief from the base for determining the permissable increase. The limitation was to apply to expenditures from local taxation, not to subventions or borrowed funds.

The 1935 legislature made the maximum figure of $35 per month state and county relief for the aged mandatory upon the counties. Many counties had been giving an average of approximately $20 per month. This forced increase threatened to throw several larger county budgets out of line, but federal old age security funds became available in time to offset this.

STATE AID FOR COUNTIES

The state has been making subventions to counties for several years. These included fixed shares of the state-collected gasoline tax, motor vehicle license tax, bus and truck tax, subventions for elementary, high school and junior college education. Sums had been granted for relief of indigent aged, orphans and blind, subject to certain conditions regarding administration and matching of state funds by the counties. Conditioned grants were made also to the counties for tubercular patients. In 1932 the counties received $46,118,044.24 in subventions, as compared to a total of $195,393,604.30 receipts for county purposes. In 1935 subventions to the counties totaled $92,025,307.43 and receipts for county purposes amounted to $243,628,006.69.[1]

The state has been prevented, however, from granting subventions to the cities. A provision in the state constitution prohibits the legislature from making loans or making any gift of state money to any municipal or other corporation. The 1933 legislature, however, acceded to demands of the municipalities by directing the state highway division to spend a sum equal to one-fourth cent per gallon of the gasoline tax upon city streets connecting with state highways. This fund was to be apportioned in ratio of the population of a city to the combined city population. In 1935 an additional sum equal to one-fourth cent per gallon was set aside for construction of main streets other than state highways. If the division of highways felt that the city was equipped to do the work it might delegate the construction and expenditure to the local authorities subject to general state approval. This is a devious method and not entirely satisfactory to many cities.

The state and local governments came squarely against another constitutional prohibition when the state sought to take over administration of a tax previously administered by the counties and the cities and to return percentage grants to the local units. As a guarantee of home rule the constitution prohibited the legislature from levying taxes upon inhabitants of cities or counties for local purposes. The 1935 legislature abolished the county and city personal property taxes upon automobiles and substituted an "in lieu" state tax to be collected at the same time that the annual license plate fee is collected. After administrative expenses were deducted the state was to apportion 25 per cent of the fund among the cities in ratio of population and 12.5 per cent among the counties. Such money was to be spent by the local authorities for policing and regulating traffic. The state controller promptly contested this as the levying of a state tax for local purposes. The supreme court ruled, however, in two companion cases that such grants to counties and cities were constitutional because policing and regulating traffic

[1] "Annual Report of Financial Transactions of Municipalities and Counties of California." State Controller. 1932, 1935.

was a state affair and not a local one.[2] The cities are faced with the problem of seeking state grants directed to state functions or of seeking repeal of these constitutional provisions. A constitutional provision aimed to promote home rule is now, under new conditions, actually forcing centralized control!

The cities have already begun to obtain constitutional enactment to direct the state to share new taxes. When liquor regulation and licensing was made a state function by constitutional provision in 1934, the legislature was directed to apportion a share of the fees collected to cities and to counties. The local units now receive 50 per cent of the amount collected in each local unit. Inasmuch as this subvention is not conditional the money may be placed in the city's general fund and budgeted according to local direction. This source has not yielded a vast amount of revenue for the smaller cities but it provides a reasonable income. Matters other than financial, however, are leading the cities to move for some reorganization of liquor law enforcement.

PROGRAM LACKS INTERGRATION

The conclusion that appears is that the program of increased state aid combined with limitation upon expenditures of local money has not been properly integrated. The counties were relieved of a very large mandatory budget item when the state assumed the counties' share of school support. Instead of providing tax relief this merely allowed the counties to devote a like sum to other items. On the other hand the school districts were forced to base expenditures at a year in which their expenditures were lowest. The attempt to return utility property to local tax rolls accentuates inequalities between districts and does not remove the need for equalization of ability to support. In the case of the cities the return of utility property to local taxation is being fought in the courts and the tax receipts from that source are impounded. The cities are faced with the further problem of constitutional amendment. Although they have succeeded finally in winning state aid they are limited in their enjoyment of it by provisions previously designed to protect both the cities and the state treasury.

[2] *City of Los Angeles v. Riley*, 92 *Cal. Dec.* 47. *County of Los Angeles v. Riley*, 92 *Cal. Dec.* 50.

SAGA OF A VILLAGE MANAGER

(Continued from Page 658)

the healthy influence of planned economy under the village manager government.

Year	Gross Budget	Income Credit	Operating Budget
1931	$910,645	$174,340	$525,224
1932	912,557	146,451	450,190
1933	831,318	140,246	331,589
1934	870,401	190,641	337,527
1935-36	848,307	222,106	370,339

The sage who declared economy and politics are strange bedfellows must have had one eye on Mamaroneck during the regime of Dr. John F. Hunter, the village Napoleon, and those who succeeded him. The two were definitely separated when Manager R. J. Whitney entered the scene, and the results speak for themselves. They indicate what sound business principles can do to a befuddled financial condition in the affairs of a municipality.

Town Planning and Taxation: Friends or Foes?

Town-planners and land-taxers should unite to discover how to make the best use, in the public interest, of mankind's common heritage

HAROLD S. BUTTENHEIM — *Editor, The American City*

TOWN-PLANNERS and land-taxers, though heartened by an occasional victory here and there, have as yet all too often been leaders of lost causes. No candid observer of the slums and blighted areas which disgrace most cities of the world, and of the bitter poverty which persists with potential plenty, can yet shout the shout of triumph. There is a long fight and a hard fight still ahead. But I am optimistic enough to believe that victory can be achieved—and that the road thereto will be a highway built by a coalition of the forces of town planning and land-value taxation.

Were I addressing a planning conference in my rôle of a land-taxer,[1] most of my talk would be devoted to showing the town-planners why their efforts are so often set at naught by prevailing systems of taxation and land tenure. Their attention would be called to the repeated handicapping or halting of their slum reclamation and large-scale housing projects because of high land prices and the legal obstacles to assembling sites of adequate size. The present impossibility of meeting, without government aid, the housing needs of families of low income would be shown to be due not only to high costs of land and buildings but to the poverty and unemployment which a scientific system of taxation would do much to correct. Ownership or tenancy of decent homes by the masses of the people would be shown to be handicapped or prevented by the almost universal method of collecting larger public revenues from improvement values than from the land-values or ground-rents which public expenditures create or maintain. It would be my aim to demonstrate that the planning and building of orderly and beautiful and prosperous communities would get greater impetus from the abolition of land speculation and land exploitation than from any other reform that could be advocated.

That taxation may vitally affect urban development and welfare is no new discovery. At the second national conference on city planning in 1910, Benjamin C. Marsh, then executive secretary of the Committee on Congestion of Population, New York City, who had been the leader in convening the first national conference the preceding year, called attention to "the

[1] This self-designation as a "land-taxer" should not cause me to be classified as a "single-taxer." My economic philosophy includes properly graded income and inheritance taxes in addition to land-value taxes as socially useful methods of raising public revenues. On this subject reprints are available of my article, "If Henry George Were Writing Today," from the February, 1935, issue of *The Journal of Land and Public Utility Economics*, and of my debate with Walter Fairchild, "Single Tax *v.* Triple Tax," published by the National Municipal League (New York, August, 1935).

present unjust system of municipal taxation by which land and accumulated wealth escape a fair measure of taxation and people with small incomes are compelled to pay often out of an actual deficit a heavy proportion of their earnings in taxation for municipal purposes."

Frederic C. Howe, speaking also at the 1910 conference, said: "Without any reservation, I have come to the conclusion that the orderly and symmetrical building of cities and the housing of urban population can be corrected through the taxation of land values more easily and more fundamentally than in any other way. By the taxation of land values I mean the abandonment of all taxes now levied against houses, buildings, improvements of all kinds, machinery, goods, stock in trade, and personal property of every kind and description, and the shifting of all local taxes onto the value of the land. I do not mean that we shall tax land, but rather the rental value of land. In other words, that all of the revenues of the city shall be taken from the ground- or land-rent, as is commonly done by private individuals under the ground-rent system in the business centres of our large cities."

And at the 1911 planning conference, held in Philadelphia, Lawson Purdy, then President of the Department of Taxes and Assessments of the City of New York, said in the concluding paragraphs of a challenging talk:

"City planning is the art of so arranging streets and public places that privately owned land may be put to its best use. When land is put to its best use, the maximum value is one of the results. Land is the kind of property that is increased in value by improvements in the city plan. Land, therefore, ought to pay the bill and can well afford to pay it. The object of this paper is to show how to reduce the cost and how to make land pay for its own betterment. By taxation the price of land can be reduced, the opening of unnecessary streets avoided and the cost of government reduced. By assessment of property benefited, the cost of public improvements can be imposed on those who reap the financial reward that follows the improvement. By condemning more land than is necessary for the widening of an old street, or the opening of a new street or park in a settled neighborhood, the expense may be reduced and plots subdivided in proper shape for immediate and suitable developments to the great advantage of all. The methods of making awards for land taken for public use may be so devised as to ensure just awards in a short time. While this subject may be regarded as the financing of city planning, it is much more: it involves the best use by all the people of their common heritage."

BRIDGE INCREASES LAND VALUES

On July 11, 1936 the city of New York held an important civic celebration. The speakers included President Roosevelt, Mayor La Guardia and other officials. The occasion was the opening of the Triborough Bridge, an immense highway structure connecting the boroughs of Manhattan, the Bronx, and Queens. That morning the *New York Herald Tribune* published a tabulation of the cost of this notable public improvement. The total was $60,300,000. Of this total the cost of land absorbed $23,700,000, including $8,400,000 for the land for the main structure, and $15,300,000 for the land for the highway approaches.

Eight days later that same conservative newspaper published in its real estate section, under the heading, "Three-Way Bridge Viewed Maker of Fortunes," a statement quoting one of New York's leading realty developers,

Edward A. MacDougall, as predicting that "as a result of the benefits which will come from the operation of the Triborough Bridge, property values on Long Island, and particularly in Queens, would advance a greater percentage in the next ten years than in the last twenty-five years. . . . He compared the bridge and its hook-up with the arterial systems of the city to the Fenway in Boston, the Lake Shore Drive in Chicago, the Bois de Boulogne in Paris and Unter den Linden in Berlin."

Even though we may discount somewhat the optimism of Mr. MacDougall and other real estate prophets, it cannot be doubted that private fortunes will result from the substantial expenditure of public funds incurred for the Triborough Bridge. At the very least, the sixty-million-dollar expenditure will soon be reflected in increased land values to that amount or greater, over and above any additional taxes which the benefited land will pay. Meanwhile every user of the bridge will pay at the tollgates his contribution towards the unearned increment which the landowners will collect.

The experience of almost every city in the world, when private land is needed for public purposes, differs in degree but not in kind. Not only are high prices paid for land for community projects, but the expenditure of public funds on these projects adds to the unearned increment of other landowners.

DESIRE FOR FREEDOM

The case for town planning and zoning is one to which most land-taxers have devoted little time and intelligence. The principal reason, no doubt, is their aversion to any extension of governmental control over private affairs. In their hearts and minds the desire for freedom marches shoulder to shoulder with their faith in the philosophy of Henry George. This fact is proclaimed in the very names of their leading periodicals—*Land and Liberty* in England, *Land and Freedom* in America, *Grundskyld* (The Land Due) and *Det frie Blad* (The Free Sheet) in Denmark, *Recht en Vrijheid* (Justice and Freedom) in Holland, and *Terre et Liberté* (Land and Liberty) in France.

SELF-RESTRAINT NEEDED

In their devotion to freedom, however, they appear to forget too often that liberty is not inevitably accompanied by intelligence and self-restraint. When they urge that to every man there be accorded his just share of access to the earth's surface and of the economic rent thereof, they too often seem to infer that, with no restraining control, he would then build and govern his cities with wisdom and justice. But human nature is not so speedily perfectible. Mere freedom and good intentions can no more build a perfect city than they can build a bridge that is safe or an automobile that will run. Until liberty can be shown to include intelligence and to preclude license, we must not only plan for the wise exercise of our liberty, but must place such restraints on ourselves and our neighbors as will conserve the equal rights of others.

So my philosophy of political science has a double foundation:—

1. It recognizes the Spencerian maxim that it is the duty of government to provide that, as nearly as possible, every individual shall have opportunity to do as he will, up to the point of infringing the equal opportunity of another.

2. But it would add, as a correlative function, also of major importance: to promote the general welfare by such services and controls in the public interest as can better be exercised by government than by indi-

vidual effort or unofficial coöperation.

A specific problem or two may give practical point to the theoretical principles just stated. Some town-planners view with alarm the sporadic land-overcrowding which might result if land-value taxation were to stimulate any such degree of land development as land-taxers predict. The answer generally made to this objection is that land prices would drop so greatly that developers could readily acquire more spacious sites; that hence it would no longer be necessary or profitable to erect buildings of excessive height or lot-coverage, but, that, on the contrary, development would spread more uniformly throughout the city. Town-planners concede that the *trend* might be in that direction, but we know enough of human nature to realize that real-estate developers, like other human beings, do not always act with foresight and intelligence. As Charles A. Beard once put it, to assume that man is an automaton capable of pursuing his interests with unerring accuracy, is to ascribe to him more intelligence than the study of his history warrants.

The typical developer, unless restrained by an intelligent zoning ordinance or building code, or by greater regard for the general welfare than most human beings can evince, would be apt, even with low land costs (but high land taxes and tax-free buildings), to figure out what seemed to him to be the most profitable use of his particular plot of land—even if this meant the stealing of light and air from his neighbors or a type of building which would depreciate adjacent property values.

The concern of town-planners is not only to discourage land-overcrowding and anti-social uses of individual plots, but also to encourage the community planning which is essential to rational urban development and which no amount of taxation reform *per se* will produce. The home neighborhood in the city of the future will be not only a collection of pleasant and sanitary houses on spacious sites; its site planning will be properly related to that of the city as a whole; it will have ample recreational areas for the use of the public; and its street pattern will be planned for the motor age and insulated against the noise and danger and congestion of through traffic. To use the taxing power to stimulate town development while neglecting the planning power as a guide for that development would be to couple individual initiative with collective irresponsibility.

PROTECTIVE MEASURES

To win effective public support there must be more emphasis on planning and zoning as protective and preventive measures, and not merely as restrictive and correctional measures. For every landowner who wants the right to injure his neighbor's property by putting a billboard or a gasoline station or an apartment house or a motion picture theatre *where they do not belong*, there are hundreds who want to be protected from such anti-social land-uses.

For the reasons cited, town-planners feel certain that land-taxers would advance their cause much more rapidly if they would link their advocacy of taxation reform to advocacy of planning and zoning reform. Let local governments, rather than landowners, determine the maximum degree of land occupancy and the types of land uses which are socially desirable in any given community or neighborhood. Let them be urged to enact and enforce the type of planning and zoning control under which it would be desirable rather than harmful for the area to be developed to the full density and use legally permitted. Then stimulus to new construction could operate with maximum public benefit.

Harvard College The Ella Lyman Cabot Library

NEED FOR ADDED PARK AREAS

Such town planning and zoning would give special consideration to the need which exists in most of our cities for added areas for parks and playgrounds. Here again *laissez-faire* will not solve the problem. The town-planner is too optimistic when he pins his faith on the permanent preservation of private open spaces as an important factor in the solution of the problem of urban amenities. Land-taxers can help town-planners to acquire more open spaces by the reduction in land costs which would result from governmental capture of economic rent. To facilitate such acquisition, however, there is need for emphasis not only on the efficacy of land-value taxation in forcing land into use, but also on the concurrent effect which such taxation would have in forcing much of our urban land out of private use and into public use, to meet recreational and cultural needs and for large-scale, low-rent housing developments.

Howard S. Braucher, secretary of the National Recreation Association, once made the challenging statement that "the friends of public recreation cannot measure in millions or billions what land, open space, sunshine, parks and playgrounds mean to children." But, alas, these values are thus measured by the owners of title to the choice and beautiful lands which Mr. Braucher's organization and similar bodies elsewhere want their governments to secure and reserve forever for all the people. Here is a fundamental problem demanding the utmost of foresight and courage from leaders in the realms of play and planning and politics.

Let us imagine a city which had been so fortunate as to number among its pioneer settlers a philanthropist, far-sighted enough to purchase for a few thousand dollars the site of the present community, and generous enough to deed the land to the municipal government. If such a lucky town had had the good sense to lease rather than sell its land for private development, it would now be a tax-free municipality with ample revenues from ground rents to pay all normal expenditures of the local government. It would have the great advantage, too, of having been able to plan its land-uses with forethought and intelligence, and to provide ample park and recreation areas for the present and future needs of its people.

MAY RECAPTURE BIRTHRIGHTS

Unfortunately, it is no easier for a city than for an individual to be born again. But in the years to come it will be made possible for our cities, I hope, to recapture their lost birthrights to the land on which they are built, and to administer that birthright in the public interest.

Two of the outstanding maxims of Henry George, italicized by the author in "Progress and Poverty," are: *"We must make land common property"* and *"It is not necessary to confiscate land: it is only necessary to confiscate rent."* As the years go by I am becoming more and more inclined to place my ultimate faith on the first of these two maxims, and to advocate the second as an essential step towards the accomplishment of the first.

There are two reasons for this point of view which seem to me, in my dual rôle of land-taxer and town-planner, to outweigh the objections which might be cited. The first has to do with the inevitable opposition of taxpayers to high taxes, and the second with the equally inevitable opposition of land-owners to effective control of land uses.

1. If, as George advocates, we were to appropriate rent by taxation, the tax rate on a ground-rent income basis would be 100 per cent. Such a rate, or anything approaching it,

would be regarded by most landowners not as the justifiable recapture of community values which George shows it to be, but as an intolerable tax burden. But if the land were publicly owned, payment to the government of the economic rent for private use of the land would be accepted as just and proper.

2. Experience is daily demonstrating the difficulty of controlling in the public interest the use of privately owned land. If land were publicly owned, the making and carrying out of rational town and regional plans would be greatly facilitated, and antisocial uses of private property could be much more readily curbed.

For this most fundamental solution of the urban land problem a strong case is made by Dr. James Ford[2]:

"Extension of public ownership of land is necessary to avoid recurrence of the evils of exploitation of land against the public interest and to give the government a firm control of the housing situation. Land is a proper field for public ownership. Management of land is chiefly a legal rather than a business problem. It is a type of business that government could handle efficiently. Accounting is simple. Public interest is paramount. Governmental land ownership is better than the single tax as a device to protect the public interest, because it eliminates the pressure of selfish interests and ultimately does away with the incentive to speculation, jockeying, and corruption, which are against the public interest. But it accomplishes the same purpose of letting socially created increments to land values accrue to the public who create them and not to private speculators.

"Public ownership of land should not be confused with Socialism, for the latter technically connotes the socialization of all means of production and distribution, eliminates private ownership of capital and private operation of business and industry. Public ownership of land does neither."

While Dr. Ford's reasoning, in the paragraphs just quoted, seems to me to be quite sound, I have no quarrel to pick with those who believe that land-value taxation should stop short of general public acquisition of land now privately owned. The crusade in which I am urging my fellow town-planners and my fellow land-taxers to unite is the discovery of how to make the best use, in the public interest, of mankind's common heritage and of how to insure for mankind the fairest possible division of the values which the community rather than the individual creates.

CLEAR ANSWER INDICATED

In his *English Journey,* J. B. Priestley says, "I do not believe that people are entirely at the mercy of their environment. Exceptional persons not only refuse to be moulded by their environment, but actually set about changing environment themselves." Among such exceptional persons I would give high rank to the intelligent land-taxer and the intelligent town-planner. Intelligence can find no better exercise than through an interchange of ideas and unity of effort in the public interest. And with such cooperation there will be found for the question, "Town planning and taxation: friends or foes?" the clear and constructive answer: "Friends, of course—and fellow workers for a fairer world!"

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[2]"Slums and Housing," published by the Harvard University Press, 1936.

Editor's Note.—The substance of this article was delivered as an address before the International Conference on Land Value Taxation, London, England, September 3, 1936.

RECENT NEWS REVIEWED

NOTES AND EVENTS
Edited by H. M. Olmsted

Federal Aid for Public Service Training.— President Roosevelt approved the George-Dean Act providing for the further development of vocational education including training in public service occupations, but, according to the Washington news letter of the American Municipal Association, it was understood that a careful investigation of the subject would be made before the increased appropriations authorized by the bill are recommended in the next budget. The President has appointed a committee, headed by Dr. Floyd Reeves of the University of Chicago to make such a study and report. It was further stated that the development of public service training or other vocational training, will be determined by each state for itself, as the federal funds are purely grants-in-aid.

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Council-Manager Plan Developments.— Two defeats were suffered in the late summer for the manager plan. Harrisonburg, Virginia, voted against a proposal to adopt the plan, 946 to 610 and Bar Harbor, Maine, refused to adopt a town manager plan, by 205 to 111.

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City Relief Problems.—As reported in the New York *Times* early in October, relief problems in several of the largest cities were complex and acute. The city of Chicago has a peculiarly difficult relief problem, inasmuch as the one-third share of proceeds from the Illinois sales tax, earmarked for emergency relief after the withdrawal of federal assistance last winter, proved insufficient. A special session of the legislature voted the cities the right to levy an additional tax for relief, but Chicago was unable to sell warrants since the constitutionality of the law was questioned. Early in October the city relief commission had 77,500 cases on its rolls representing about 200,000 persons. Nearly all relief money was going for food at the time. The WPA had about the same number of cases as the relief commission.

In Los Angeles, at the end of the summer the various federal and state agencies were caring for 77,247 relief cases in the county, a decline in number, but at an increased cost; 285,000 persons were receiving governmental aid. Last year all unemployment relief was extended by the Los Angeles County Relief Administration, financed by approximately one-third state money and two-thirds federal money. This agency last month was still handling 15,000 or more cases on a cash dole from state money only.

In Detroit at this time 16,752 direct relief cases existed and about an equal number were being cared for by WPA work relief. The problem is expected to increase substantially in the winter with the automobile industry seasonably slack.

In all three cities the permanency of a grave relief problem was emphasized.

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To Increase Extent of Training Work.— Twenty-six city and village mayors and one city manager have been appointed as regional representatives of the Municipal Training Institute of New York State, for the purpose of more fully informing officials and citizens in various parts of the state as to the organization and facilities of the training schools for municipal officials operated by the New York State Conference of Mayors since 1926 and now under the direction of the institute.

During the past eight years more than 46,000 officials have attended the 295 schools operated by the conference and the institute—6,935 during the past year. New York State is said to lead the nation in the matter of in-service training of municipal officials; nevertheless the conference and the institute desire to have this work further known so that practically every municipal official may benefit.

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Citizenship Course at Hobart College.—At the inauguration of Dr. William Alfred Addy as president of Hobart and William Smith Colleges at Geneva, New York, a four-year course in responsible citizenship as a requirement for the bachelor's degree was announced, in order to prepare graduates for "intelligent participation and active leadership in local affairs." In the senior year all students will concentrate on the operation of American government today. Harold W. Dodds, president of Princeton University and the National Municipal League, made the induction address.

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Free Traffic Consultant Service in Texas.—Acting on the principle that the promotion of traffic safety in cities and towns as well as on the highways is a state-wide affair, a traffic consultant service designed to assist all municipalities in the solution of traffic problems has been inaugurated by the Texas Department of Public Safety. It is described in *Texas Municipalities,* magazine of the League of Texas Municipalities. The service, which is provided through the combined facilities of the Texas Highway Patrol and the State Driver's License Bureau, is closely allied with the Safety Lane Campaign undertaken by the patrol several months ago. Since April 1, more than 116,000 automobiles have been tested and 23,000 defectives found.

More and more cities are taking advantage of this service and of the counsel and technical advice given by the Department of Public Safety on such subjects as parking problems, zoning, "T-men's" organizations (a traffic secret service) and school safety work. The public safety department is serving as a clearing house for the entire state, passing on old and new remedies for traffic troubles and installing traffic regulations for small towns with a limited law enforcement agency. The traffic installations are made only at the request of proper local authorities and by action of the city officials.

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Personnel Administration.—Ordinances recently passed in Toledo, Ohio, and Trenton, New Jersey, make for more stable employment and uniform conditions of work for city laborers, according to the *Civil Service Assembly News Letter.* In Toledo the classified civil service has been extended by ordinance to include all laborers. In the future, the civil service commission of that city will prepare eligibility lists from which all municipal laborers must be selected. No written tests will be given, but all applicants must demonstrate that they are physically fit and adapted to the work to be performed.

Trenton's new municipal ordinance provides for shorter hours and for uniform rates of pay for laborers. The city manager of the New Jersey municipality had previously found substantial variations in the hours of work required of these employees and in wages for similar work. Unusual provisions of the Trenton ordinance include a dismissal bonus for the worker if he is laid off through no fault of his own, one week's vacation with pay for every employee who works 2000 or more hours per year, a standard promotion plan, and fifteen days' sick leave with pay in each year. Approximately four hundred workers are affected.

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WPA Making Extensive Compilation on Municipal Government.—The United States Conference of Mayors has announced the establishment of a WPA writers' project for the collection and tabulation of information on all phases and types of city government throughout the country, which it hopes will be exceptionally complete and comprehensive. Reported as already under way is a carefully documented survey of the governments in 188 cities having populations exceeding 50,000. The conference is supplying the project with questionnaires and is donating the full-time services of a national supervisor for the project. It is expected that a series of factual reports on timely municipal subjects will be prepared and distributed to cities and that the results of the entire survey and compilation will be assembled in Washington as a permanent library of municipal government.

Public Administration Course at Willamette University.—The department of economics and political science at Willamette University, Salem, Oregon, has announced a four-year curriculum in public administration, leading to the degree of bachelor of arts, to aid those who contemplate public service careers, or who expect to prepare for the bar, or who desire a cultural education with primary attention given to the increasing interrelationship between government and business. Salem, as the state capital, offers special advantages for the course.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

California—Manager Plan In Los Angeles County Halted.—Opposition of several suburban communities halted the movement for a county manager in Los Angeles County when the board of supervisors voted on September 14 not to place charter amendment proposals on the general election ballot. The cities of Los Angeles and Pasadena favored the proposal. The plan proposed to limit the board of supervisors to legislative duties. The manager was to exercise all administrative duties. He was to appoint heads of administrative departments, reorganize departments and transfer officers, subject to civil service requirements. The board of supervisors was to appoint the manager from a list of three names certified by the civil service commission. The commission, in turn, was to be made up of three members chosen by the supervisors from a panel of five chosen by a certification board consisting of the heads of seven local colleges and universities. A personnel director was to be appointed by the manager from a list proposed by the commission. The manager also was to appoint the county counsel, but subject to confirmation by three-fifths vote of the supervisors and could remove the counsel if four of the five supervisors agreed to the action. The supervisors were to appoint all boards and commissions and an examiner of accounts who was to be the auditor.

The board of supervisors also refused three other measures: (1) to direct the county budget and fiscal procedure, (2) to compel cities that contract with the county for performance of certain functions within the cities to pay the full cost, (3) to distribute the county share of the state gasoline tax among the cities. The city of Los Angeles would have been the gainer had the latter two been adopted. All four proposals were made by a joint committee of representatives of the governmental simplification committee appointed by the supervisors in 1933 and the Citizens' Committee on Governmental Reorganization appointed by the mayor of Los Angeles city in 1935. Soon after the supervisors rejected the recommendations the city of Los Angeles revived a proposal to separate from the county and establish a consolidated city-county. Two methods are yet available to secure a vote, however: (1) elect a board of freeholders and submit the plan to popular vote (2) amend the county charter directly by popular initiative.

WINSTON W. CROUCH
University of California at Los Angeles

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Wisconsin—The Power District Movement.— Rural electrification in Wisconsin, as elsewhere, is being pressed forward rapidly, not by means of power districts, but through the organization of coöperatives. It has been found generally that the coöperative is much more easily organized than is the power district. This development may have some interesting effects. For one thing it may retard the expansion of another type of special district and thus prevent an increase in the complexity of our local systems. On the other hand, the development of power districts, if properly carried through, might conceivably have a favorable effect on county reorganizations and consolidation. Any advantages which might accrue from such a development will be lost in case the electric coöperative takes the field.

In Wisconsin three power districts have been attempted. The first, comprising territory in Rusk and Burnett counties, was organized but is tied up in litigation. The second attempt was made in Lincoln County. Application was filed from this area for the creation of a power district called the Tomahawk Municipal Power District. After the state public service commission had made a favorable finding upon the feasibility of the district, an election was held April 7, 1936 in

sixteen townships and in two cities, Merrill and Tomahawk. The proposal for the district was defeated in all townships and in both cities. The vote was close in some of the townships but the defeat in both cities was overwhelming. The total vote was 5092 against, and 2324 for, the proposal.

A third attempt to organize a power district has recently been inaugurated in Wisconsin. A tri-county power district, consisting of Goodman Township (Marinette County), Armstrong Creek Township (Forest County), and Pence Township (Florence County), was declared feasible by the public service commission on August 20, 1936. A referendum on the creation of the district was scheduled to follow. The proposed district is in the northern and less wealthy section of the state.

LEE S. GREENE

Tennessee Valley Authority

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Ohio—Cuyahoga County Seeking Another Charter Commission.—The work of the first county charter commission of Cuyahoga County went for naught when the Ohio supreme court voided its action. The county commissioners, however, adopted a resolution to submit the issue to the voters again at the general election this year. On the same ballot below the question will appear the names of all candidates who seek election to the commission. If a majority of the votes cast on the question are for the charter commission, then the fifteen candidates receiving the highest number of votes will constitute the commission. It will have ten months in which to hold public hearings, debate the numerous issues involved, and prepare the draft of a charter.

The major questions which the county charter commission will have to answer before completing the draft of the document will be: (1) How far should the charter go in taking over municipal functions? (2) Shall the county be established as a municipal corporation or merely a public corporation as now provided by law? (3) Shall the various municipalities be left intact or should some of them be eliminated? (4) What form of county government could be established—a strong mayor-council form or a council-manager form? (5) Should the members of the council be elected by wards or at-large?

In addition to these major issues there will be many of lesser importance, some of which may develop into major issues.

Adapted from *Greater Cleveland*

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Montana—Referendum on County Consolidation.—The voters of Montana will decide at the general election in November whether they are in favor of or opposed to an amendment to the state constitution which will prohibit counties from being abandoned, abolished or consolidated in any way except by a majority vote of the duly qualified electors in each county affected.

The Montana constitution empowers the legislature to abolish any local government or consolidate or merge cities, townships, and counties under one municipal government and to fix and prescribe the number, terms, qualifications, salaries, duties, method of appointment, election, or removal of officers thereof. These powers were secured through an amendment to the state constitution passed in 1922, and it was this amendment which permitted the 1931 legislature to set up the county manager plan of government to become effective in any Montana county if approved by a majority of all those voting on the question.

Apparently the amendment to be voted on in the November election is to clarify somewhat the powers of the state regarding the abandonment or consolidation of counties, there being some feeling that the state has the power to consolidate or abandon counties as it desires. Approval of the proposed amendment would make it necessary to secure a majority vote of the duly qualified electors in any county affected by a proposed abandonment, abolishment or consolidation.

R. R. RENNE

Montana State College

Mississippi—Seeks Industry.—Mississippi's extraordinary legislative session passed a measure designed to aid in promoting the industrial development of the state. This measure, Senate Bill Number One, confers unusual debt contracting authority upon municipalities, counties, and supervisors' districts.

The title is indicative of the scope of the measure. It reads: "An act recognizing Mississippi's necessity to protect its people by balancing agriculture with industry, declaring the state's public policy in that respect,

creating the Mississippi Industrial Commission to carry out the provisions of this act, outlining its duties and powers, and making effectual that essential by authorizing the several counties, supervisors' districts, and municipalities of this state to acquire industrial enterprises, to issue bonds or other obligations therefor, to operate such industries, to dispose of them, and generally to make such contracts relative to such industries as are essential; authorizing port commissions to assist in such plan; and for other purposes."

The administrative agency created by the act is a three member industrial commission serving until April 1, 1940, the chairman devoting his full time to the work. The commissioners may appoint such employees as may be necessary. They are required to meet once a month in the office of the commission and at other places whenever called upon to function.

In general, "the commission is charged with the duty of making effective the declared public policy of this state to balance agriculture with industry . . . is empowered to determine whether the public convenience and necessity require that any municipalities shall have the right to acquire land . . . to erect industrial enterprises and to operate them and to dispose of all such lands and industrial enterprises."

The procedure is that the governing board of a municipality on receipt of a petition of at least 20 per cent of its qualified electors, requests a certificate of convenience of the commission. The commission in its hearings is required to ascertain whether the municipality has sufficient natural resources, sufficient labor, and adequate property values to embark on this undertaking without undue burden to its citizenry. If the commission is satisfied after this investigation, a certificate of public convenience and necessity is issued. After receiving this certificate of convenience the governing board fixes the date for an election (at least three weeks from the time of notice). At this election all qualified electors may vote and ratification of the industrial bill requires a two-thirds favorable vote, provided that the total number of votes is a majority of the total qualified electors of the territory. Approval gives the governing board authority to proceed with the plan.

After construction of property and the setting up of enterprises, governing boards are empowered to sell, lease, or otherwise dispose of said enterprises with approval of at least two-thirds of the governing body of the municipality; furthermore, factories and enterprises are exempt from all *ad valorem* taxation on tangible property for a period of five years from the commencement of work for the construction of the factories or enterprises. A section of the act enumerates industries contemplated within this exempt clause.

Mississippi has extensive raw materials produced upon her farms which can be processed within the state. She has forest resources, numerous minerals including fine sands and clay, deposits of bauxite (aluminum) and other minerals. By this act the state seeks to encourage the fabrication of finished products, utilizing the available cheap electricity and abundant labor supply.

DAVID W. KNEPPER
Mississippi State College for Women

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Washington—County Unit for Road Administration.— Washington is among the leaders in rural road development. The state has thirty-nine counties, averaging approximately 1,800 square miles each in area. Only two of these counties have township organizations and even in these, township road work has been virtually eliminated through the eradication of township tax powers. Even in these two counties the bulk of highway work and all the secondary highway work that is done with state-collected or gas-tax revenues is handled by the board of county commissioners.

Most of the counties of the state are operated as three road districts. The county commissioners, three in number, were originally road commissioners, with their powers gradually expanding until they are now the executive and legislative board for the county as a whole. They are still nominated, however, from districts and in theory these districts continue to exist as road administration units.

The county commissioners themselves, however, have the authority by majority vote to consolidate road districts into a single county unit, and in many counties that has been done. In the majority of the remaining counties, although district lines have not been formally broken down, the commis-

sioners, through exchange of equipment, allocation of road moneys and general administrative procedure, are in reality operating their road districts as a single county unit.

In keeping with the county-unit movement, there has been some agitation in this state to make the consolidation of road districts into one county unit mandatory. That movement has been vigorously resisted.

The county is now working out a method for clearing federal matching; and with that solved, the state will have one of the best secondary highway administrative set-ups in the country.

LEW SELVIDGE in *Better Roads*

Olympia, Washington

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County Jails Condemned.—Speaking before the sixtieth annual conference of the American Prison Association recently, Dr. Leonard D. White, a member of the United States Civil Service Commission, condemned the influence of politics in prison administration.

In the course of his remarks Dr. White said: "Patronage has put men on the walls of our prisons because they carried their precinct in the last election. Politics has made men wardens of jails because for many years they faithfully served their party organization and gradually acquired a right to recognition and reward."

A recent survey of county jails showed that almost 50 per cent of the county jails do not meet minimum standards of suitability. Sixteen hundred county jails were condemned as unsuitable for use by the federal government and 748 were accepted only in case of emergency.

In one case the sheriff in charge of a county jail was requested to tighten up on jail discipline. He declined to do so, saying that he had "to be reëlected and could not afford to offend anyone." In contrast Commissioner White described the methods used by the civil service commission in selecting guards for federal prisons and penitentiaries. Applicants are excluded for such reasons as want of judgment, lack of physical or mental vigor, inability to coöperate with others, intemperance, as well as evidence showing disrespect for law or unethical dealings. No political endorsement of any kind is received or accepted.

Dr. White recommended that the American Prison Association initiate a study of the merit system in order to formulate a program of action for the extension of the merit principle to all penal institutions including county jails.

Released by U. S. Civil Service Commission

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New York—Regional Planning.—A relief map of the New York metropolitan area, which measures eighteen feet by twenty feet and which it has taken two years to make, has just been completed by the Works Progress Administration. It shows the nature of the terrain, existing and proposed zoning, and transit and traffic developments over an area of 5,528 square miles. The model is on a horizontal scale of 2,000 feet to the inch with a vertical scale exaggerated four times, or 500 feet to the inch.

There are twenty-two New York and New Jersey counties in the metropolitan district and the program of the Regional Planning Association calls for necessary basic studies, the preparation of a comprehensive master plan for each county, fitting of this plan to a sound financial program, and the preparation of a long-term program of public works.

George McAneny, president of the Regional Planning Association, said the model emphasized the progress which has been made in planning and replanning the New York district. "There is not a county in the region," he said, "that has not officially undertaken some form of planning activity either on the legally authorized basis of a county planning board or through a work relief project under WPA." It is estimated that more than 20 per cent of the program of development outlined eight years ago has already been accomplished.

Abstracted from *New York Times*

TAXATION AND FINANCE

Edited by Wade S. Smith

Municipal Bankruptcy Act Rehearing Denied.—On October 12 the United States Supreme Court denied a petition for a rehearing on the Cameron County (Texas) Irrigation District case in which the court last May held that the so-called federal municipal bankruptcy act was unconstitutional.

The attorneys-general of ten states—Arkansas, California, Colorado, Florida, Mississippi, Missouri, New Mexico, Oregon, Texas, and Washington—joined in the petition as *amicae curiae*. Briefs opposing the petition were filed on September 27 by counsel for a group of California irrigation district bondholders.

Though numerous default situations calling for special measures to deal with the minority hold-out bondholder at which the act was aimed have been cleared since the law was adopted in 1933, abrogation of the statute leaves many cities and special districts once more at the mercy of that small group of creditors who demand preferred consideration after a majority of the others have found an adjustment plan acceptable. Representative Wilcox, of Florida, one of the original sponsors of the bill, has announced plans to resubmit it in revised form at the coming congressional session, in an effort to overcome the court's objections. While few cities or districts have taken debt adjustment plans to court under the now finally disposed-of law, experience has demonstrated its effectiveness in holding bolting bondholders in line.

*

New Jersey Relief Tangle Clears.—With the announcement by Arthur Mudd, New Jersey state relief director, on September 22 that the financial assistance commission had accepted a revised estimate of probable local relief costs and had increased the proportions of state aid granted under its formula, the situation of New Jersey municipalities for the balance of the year became less confused.

The New Jersey State League of Municipalities had previously disagreed with the commission's estimates, both of probable relief costs and the amount of state and local funds available to meet them. The revised estimate announced September 22 reflects the League's position to a considerable extent, while also relaxing the previous scale of grants toward more substantial assistance by the state.

It is now estimated that the July 1-December 31 period will require for the municipalities in the state an outlay of $9,750,000, instead of the $10,500,000 previously predicted. The state's share of this total will be $7,500,000, instead of $6,000,000, and the localities will carry $2,250,000, instead of the $4,500,000 originally contemplated. Under the new estimate of costs and funds applicable to meeting them, and the new formula, the localities' share will be cut approximately 50 per cent. For example, Newark will pay $412,966, instead of $825,932.

*

Municipal Financing Up for Year.—The upward trend of new municipal financing, with decreasing dependence upon federal agencies, is indicated by *The Bond Buyer's* analysis of sales to October 1, 1936. State and municipal bond sales for the first nine months of 1936 totaled $803,391,752 as compared with $861,890,250 for same period last year. During the period in 1935 the PWA took $433,200 of the bonds and the RFC $12,096,000 with these figures cut to $183,000 and $4,857,232 to date in the current year.

*

PWA Grants Announced.—Since July 28 the Public Works Administration has made allotments for more than 985 projects requiring an estimated construction outlay of $134,926,500, according to a recent announcement. The federal share for which grants have been made is $61,250,000. Improved credit of the localities and bettered current finances leading to ability of a large proportion of the applicants to meet their 55 per cent share without government aid has resulted in the small amount of $5,800,000 of PWA loans accompanying the grants.

As of September 29, the finance division of the PWA reported that interest and bond sales of loans totaled $24,436,671, some $8,250,458 of this being clear profit on bonds sold to the Reconstruction Finance Corporation. The so-called "profit" on the transactions will be credited to the revolving fund from which grants for projects are made, the interest on the loans going into the federal treasury.

To September 29 the PWA is reported to have purchased $599,327,306 of municipal bonds in connection with its loan policy, of which $488,272,921 were sold to the RFC. To September 1 the RFC had sold $243,611,052 to the general public. Sales to third parties, maturities and cancellations total $9,003,758, leaving bonds with a par value of $142,050,625 on the PWA's books, which may be sold as added funds are required by the Works Progress Administration. The PWA

has obligated itself to buy $778,000,000 of municipal bonds but the remainder will be purchased only as money is required by non-federal bodies to continue construction in the event funds from private investors are not forthcoming.

While the amount, if any, of the grants payable from the $300,000,000 public works fund appropriated by the last session of congress is not indicated in the announcement, it is said that 347 of the applications granted were approved August 12, with construction to begin by October, indicating that a portion of the grants were made from the appropriation of last winter.

*

Asbury Park Pays Bond Interest Through 1934.—An order allowing the city of Asbury Park, New Jersey, to distribute $310,000 in defaulted interest to its bondholders was signed in Atlantic City, October 11, by State Supreme Court Justice Joseph B. Perskie. The amount, which is equal to 2.5 per cent of the city's indebtedness, represents interest in default up to December 31, 1934.

Payment of the defaulted interest was authorized by the city council last August but was held up because the state municipal finance commission, to whose scrutiny the city is subjected, withheld approval of the plan. The commission, together with bondholders' groups, indicated the opinion that the city could pay a larger sum and directed the city to obtain a supreme court order specifying how the payment should be made. The city has yet to consumate a debt readjustment program with its creditors.

*

Pennsylvania Cities' Budget Progress Reported.—Budget statistics for forty-four third-class Pennsylvania cities have just been released by the state's department of internal affairs, created by act of the 1935 legislature as part of a program setting up a uniform system of accounting and budgeting for the state's municipalities.

The department's budget analysis for the 1936 budgets indicates that the forty-four third-class cities plan to spend approximately $25,600,000 during 1936, of which $22,957,961 is for regular city purposes and debt service and $2,685,966 for municipal water department operation, maintenance and debt repayment. On the revenue side, officials anticipate that current revenue collections will fall about $500,000 short of meeting the amounts appropriated, anticipated revenues being set at $25,100,000. To balance the budgets cash reserves will be utilized, the cash balances dropping from $1,589,361 at the beginning of the year to an estimated $1,063,632 at the close.

The extent to which the state act has led to sound budget practice is indicated by the fact that all but two of the forty-four cities succeeded in balancing their current budgets. Five cities continue the policy of eliminating both unpaid bills and the income from delinquent taxes from their budgets, but most are trying to put their operations on a cash basis. The cities as a whole proposed to finance approximately 80 per cent of the year's operations from taxes, current and delinquent, and the remaining 20 per cent from miscellaneous receipts and cash reserves. The average allowance for non-collection of current taxes is 15 per cent.

Approximately 65 per cent of the total city appropriations are for current operation and maintenance, 29 per cent for past debts, including debt service and unpaid bills, and 6 per cent for capital improvements and other outlay.

*

Interest on debt required $20,572,397, or 23 per cent, of total expenditures exclusive of utility operations, for the 110 Ohio cities in 1935, according to the recently released report of the state auditor. Exclusive of utilities, the 110 cities spent $89,667,892. General government accounted for $6,787,793, or 8 per cent, of the total.

*

Beginning October 1, New Orleans sales taxes mounted to four cents on the dollar, when a 2 per cent state sales tax was added to the local levy of the same amount. The taxes are nearly identical and cover almost all retail purchases, including many articles of food. Retail grocers swarmed the city hall shortly before the tax went into effect and were dispersed by police.

*

Dunbar, West Virginia, suffers from insufficient revenue because of the state overall tax limitation. As a consequence the fire department suffers from a fund shortage and

the hose carts from an inadequate supply of fire hose. At a recent fire the hose would not reach from hydrants to burning buildings, and three homes were destroyed.

*

Seventeen states exact severance taxes on natural resource removers, according to a recent release of Editorial Research Reports. Examination of the tabulation fails to disclose a coal severance tax levied by any of the great coal producing states. Oil producing states, however, do exact an oil severance tax.

*

On $1,160,800 worth of tax delinquent property to which the city of Boston has taken title by foreclosure, 87.7 per cent of the parcels are vacant land. The "improved" properties averaged less than $2,000 each in value.

*

Constitutionality of Minnesota's rent receivership law was upheld by the state supreme court recently, which sustained a decision of the Washington County court holding that the law did not violate the uniformity clause of the state constitution nor the fourteenth amendment to the federal constitution. "It is not a legislative delegation of powers . . . nor is the statute impracticable of enforcement," said the court.

*

The better the building, the more apt is the owner to pay his delinquent taxes, according to a study of tax delinquent business property in the heart of Philadelphia recently completed by the Bureau of Municipal Research. Thus, on properties assessed at from $50,000 to $100,000, 85.6 per cent of the arrears were paid from December 31, 1932 to June 30, 1936, as compared with 49.7 per cent for properties assessed at under $1,000, and 79.3 per cent for the $4,000-$5,000 class.

*

"Know Your Government" is the title of a new series of brief discussions of state taxes being issued by the Oklahoma Tax Commission. The first issue—mimeographed—deals with the gasoline tax, traces its history, rate, and yield by years since its first introduction, compares it with similar taxes in other states, discusses the basis, use and distribution of the tax, and indicates current collections and expenditures from the tax.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

P.R. in the Dublin Election of 1936.—The Irish Free State is the land par excellence of proportional representation. P.R. is used for the election of members of the Dail (national legislature) and for the election of the governing councils of local governments (viz., county boroughs, counties, boroughs, and urban districts). The most recent demonstration in the Free State of the workings of P.R. on a large scale was the election of the Dublin city council on June 30, 1936. Dublin is a county borough containing some 467,000 people—by far the largest municipality in the Free State. (The Irish county borough is really a consolidated city and county.) There are only three other municipal areas which rank as county boroughs—Cork, Limerick, and Waterford, and none of these approaches Dublin in size. Dublin, therefore, furnishes the largest laboratory for the operation of P.R. in local Free State elections.

The Dublin election of 1936 was held under an enlarged local government franchise which included all citizens over twenty-one years of age ordinarily resident in the city at the time of compiling the register of voters. For electoral purposes the city was divided into five borough electoral areas, each returning a specified number of city councillors. The number of people qualified to vote, the number of valid votes cast, the number of invalid votes cast, the number of candidates, and the number of seats to be filled for each electoral area will be found in the table on page 678.

Some 51.4 per cent of those eligible to vote participated in the election and cast valid ballots. Less than 1 per cent of the eligible voters cast invalid ballots—i.e., they did not use the required official marks, they failed to indicate a first preference, they marked more than one first preference, they made unauthorized marks which might prove delivery of votes, or they made illegible figures. The balance of the electorate failed to exercise the right to vote.

For the non-voters there are certain similar explanations in all democratic countries: inertia, indifference, physical or administrative

DUBLIN ELECTION OF JUNE 30, 1936

Borough Electoral Area	*Eligible to Vote*	*Valid Ballots Cast*	*Invalid Ballots Cast*	*Candidates*	*Seats To Be Filled*
No. 1	48,579	21,519	472	15	7
No. 2	59,214	32,517	400	22	7
No. 3	61,440	32,617	566	25	8
No. 4	39,022	22,556	306	17	6
No. 5	61,599	29,733	507	15	7
Dublin Total	269,854	138,942	2,251	94	35

difficulties. For non-voting in the Dublin election of 1936, other reasons may fairly be advanced. A heavy rain which fell during the afternoon and evening may have deterred many workers who would otherwise have made the effort to vote after hours of work. The local electorate was, for the first time, expanded to conform to the national electorate. Those who had previously been excluded by additional franchise requirements for local elections had not acquired the habit of participating in local polls. The election was, according to the papers of the day, described by election officers and agents and by the police as the quietest they had known. Nowhere is the suggestion made that P.R. deterred people from voting. The Irish electorate is thoroughly familiar with the marking of P.R. ballots as a result of their use in both local and national elections over a period of years. P.R. was provided for local government elections generally by the Local Government (Ireland) Act of 1919. In 1922, the constitution of the Irish Free State provided for the election of members of the national legislatures upon principles of proportional representation. Familiarity with P.R. is attested by the fact that in the Dublin 1936 election there were some 2,251 invalid ballots out of a total of 141,193 ballots cast—only 1.6 per cent.

Election Procedure

The system of nomination is simple enough. To become a candidate in a borough electoral area, the individual must have a proposer and a seconder. In other words, a nomination petition signed by two persons places a candidate in the running. This has led to some frivolous candidacies by those who poll only several hundred votes. On the other hand, under P.R. the frivolous candidate does no great harm since his name is soon dropped in the transfer of ballots and his ballots are assigned to other candidates in accordance with the next available preferences expressed by the voters. The number of such candidacies was not great since only ninety-four candidates were proposed and seconded for thirty-five seats.

For each borough electoral area in Dublin, a ballot is prepared. The names of all candidates duly nominated for that area are listed on the ballot in alphabetical order without party designation. (This, however, does not prevent the parties from circularizing the voters with lists of candidates recommended by the party.) In voting the elector marks his preference opposite the names of the candidates—viz. 1, 2, 3, 4, 5, and so on. He may mark as many preferences as there are candidates. If fourteen names appear on the ballot, he may mark fourteen preferences. On the other hand, he may mark only a few preferences, according to his inclination. He may even mark only a first preference and his ballot is a valid one in the counting of first preference votes, but it can have no further influence. Under P.R. it is to the advantage of the voter to mark as many preferences as possible. This assures a maximum utilization of his voting power in the transfer of ballots during the counting.

In counting the ballots for a borough electoral area, the first step is to determine the number of valid ballots cast. Then the quota of votes necessary to elect a candidate to the council is ascertained. This is determined by dividing the total number of all valid ballots by a number exceeding by one the number of seats to be filled. The result increased by one (disregarding any fractional remainder) is the number of votes necessary to secure the return of a candidate. It is known as the "quota." In the Dublin election of 1936 in borough electoral area No. 1, there were 21,519 valid votes and seven seats to be filled. The quota necessary for election was 2,690 votes. In borough electoral area No. 2, there

were 32,517 valid votes and seven seats to be filled. The quota in this area was 4,065 votes.

The ballots are first sorted in accordance with the first choices expressed by the voters. If any candidate receives a quota or more than a quota of first choices, he is elected. His surplus ballots (i.e., those exceeding the quota) are transferred to other candidates in accordance with the second preferences marked. (It may happen, however, that a ballot must be transferred according to its third preference, if the second preference, for example, goes to another candidate already elected, and so on.) The transfer of surplus ballots entails a compilation of the next available preferences expressed on all the ballots of the candidate obtaining more than a quota. A proportionate transfer of surplus ballots is then made to the remaining candidates strictly in accordance with this compilation.

After the transfer of the surplus ballots of elected candidates, the next move is to drop from the running the candidate having the lowest number of votes. His ballots are then transferred to other candidates in accordance with the next available preferences expressed thereon. The process of dropping the lowest candidate is continued until the necessary number of candidates needed to fill all seats have obtained quotas, or until only enough candidates remain in the race to fill the seats available.

P.R. may seem complicated at first glance, but in actual operation it is simple enough. Familiarity breeds simplicity. The system is like an old friend to those who operate it. The count of ballots does not take so long. For example, after the election of 1936 the count was completed for all boroughs in twenty-six hours.

P.R. Accomplishments

Stripped of technicalities, P.R. really accomplishes well known objectives, and the Dublin election of 1936 bears out this statement. Parties can obtain representation closely in proportion to the number of first choices they poll, provided their followers also give the next available preferences to like party candidates. Substantial minority party representation will result so long as the minority party has a substantial block of voters loyal to its candidates. Independents who have made themselves known in the city and have a following sufficient to poll a quota can be elected irrespective of party lines. *There can be no sweep of council seats by a party having only a plurality or a majority of the popular votes.*

In Dublin elections the parties send cards to the voters of each electoral area, indicating the party's candidates on the ballot. The voters are urged by posters and speeches to give the party's men the highest preference in the respective electoral areas. In the election of 1936 some clue to party strength in the voting is furnished by the first preferences expressed. These were approximately as follows: Fine Gael (Cosgrave) 44,700; Fianna Fail (DeValera) 41,200; Labour 13,500; and others (including Independents with substantial followings and a scattering of varied tickets) 39,500. The number of seats obtained by the respective groups was: Fine Gael, 13; Fianna Fail, 12; Labour, 2; Independents, 7; and Independent Labour, 1. The first-choice votes do not furnish an absolutely accurate analysis of party strength, since the other preferences count in the transfer of ballots. However, the first-choice votes do suggest the close correlation between party strength and seats obtained.

One of the interesting features of the campaign was the Lord Mayor's panel. Alderman Alfred Byrne, T.D., as Lord Mayor, recommended a slate of candidates to the voters in each electoral area. His panel was made up of Independent and Fine Gael candidates. Twenty of those on the Lord Mayor's panel were elected, including seven Independents and thirteen councillors representing Fine Gael. The Lord Mayor himself polled 14,297 first choices in an electoral area where the quota was 4,065. He had more than 10,000 surplus ballots. "Alfie" Byrne's personality and his vigorous campaign for his panel were some of the outstanding factors in the election.

In a sense the election was a contest between Fianna Fail, or the party in control of the Free State, and the Lord Mayor's panel of Independents and Fine Gael candidates. Fianna Fail put forth strenuous efforts to capture a majority of the seats in the council, but was unsuccessful. National issues were injected into the campaign. As in America, both major parties had their respective interpretations of the results. Fine Gael accounted them an indication of Dublin's aver-

sion to the national policies of Fianna Fail. The latter could point to the heavy rain which possibly deterred workers from going to the polls and to local cross-currents as influencing the results.

It is not claimed for P.R. that it abolishes party lines, or keeps national issues out of local elections in the Free State. It is a workable system, simple enough once the people are accustomed to it. It is considered a fair system because it reflects proportionately in representative councils, the respective voting power which parties and independent groups muster on election day.

ARTHUR W. BROMAGE.
University of Michigan

EDITOR'S NOTE:—Professor Bromage is now on sabbatical leave and is resident in Dublin.

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New York City Adopts P. R.—By the surprising vote of 920,138 to 536,304 (according to unofficial totals) New York City adopted proportional representation on November 3 for the elections of its new city council. At the same time the city approved a new city charter by 950,305 votes to 596,440.

The new charter abolishes the discredited board of aldermen, consisting of sixty-five members, and replaces it by a council less than half that size. The council becomes the sole legislative body of the city except that the board of estimate, which is now an upper house of the municipal assembly, retains a veto power over most important local laws in addition to the veto power of the mayor.

The members of the council are to be elected from borough-wide districts, each borough electing each time as many members as it polls multiples of 75,000 votes with an additional member for a remainder of 50,000 or more. The automatic reapportionment thus provided for was a strong argument for P. R. in the growing boroughs of Queens, the Bronx, and Brooklyn, which are now ridiculously underrepresented in relation to Manhattan. In the P. R. election of each borough's members any group of 75,000 voters can be sure of electing one councilman.

Because P. R. will inevitable decrease the overwhelming Democratic majority (sixty-two to three) in the city's legislative body and the new charter interferes in various ways with party patronage, the Tammany leaders in Manhattan and the Democratic leaders of the other four boroughs opposed both proposals. Shortly before the election they came out in the open and threw the whole weight of the party machinery against the two questions.

The most absurd misstatements were used repeatedly, particularly with regard to P. R. in a frantic effort to stem the tide.

Nevertheless, the new charter and P. R. carried every borough except Richmond (Staten Island) by substantial margins and polled majorities in fifty-nine assembly districts out of sixty-two. P. R. carried the borough of Brooklyn by more than two to one. Contrary to most predictions, it carried the whole city by a slightly greater margin than did the new charter.

The P. R. Campaign Committee under the chairmanship of Dr. Henry Moskowitz carried on an active campaign from headquarters adjoining those of the Citizens Charter Campaign Committee. It was supported by the *World-Telegram,* the *Herald-Tribune,* the *News,* the *Mirror,* and the *Post;* by such prominent citizens as Judge Seabury, Mayor LaGuardia, Borough President Ingersoll of Brooklyn, and President Nicholas Murray Butler of Columbia University; by nearly all the important city-wide civic organizations; by large sections, but not all, of the Republican Party; and by all the other minority parties, including the new American Labor Party, which polled over 237,000 votes for President Roosevelt in the city. With the Tammany opposition were the New York *Sun,* Comptroller Taylor, former Governor Smith, the Central Trades and Labor Council, and a number of local taxpayers' groups.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

New Haven Taxpayers, Inc.—The recent work of New Haven Taxpayers, Inc., has been the review of completed surveys and the restating of recommendations in an endeavor to be of assistance to the mayor and the members of the board of finance in their examination of department requests for the year 1937. Following are briefs of communications that were prepared:

Fire Department.—While commending the

board of fire commissioners for its recent steps in the direction of economy, it was pointed out that the cost of the New Haven fire department was still above the average cost of fifty-four cities of comparable size. It was shown that the average per capita cost was $3.56, while the cost for New Haven was $5.05; the average cost of fire protection per square mile was $27,338, for New Haven, $45,900; and on the basis of each $1000 adjusted assessed valuation, New Haven's cost was 15 per cent higher than the average. Opportunities for economies were outlined and the board was urged to continue adherence to the present policy of leaving unfilled any vacancies occurring. Realignment of company organization in accordance with the underwriters' schedules, consolidation of the service crews of both the police and fire signal systems, and the elimination of unnecessary fire stations as specified in the complete survey were also recommended. The estimated savings approached $145,000.

Lamps Department.—The review of the bureau's report on street lamps and street name signs indicated a continuous decrease in the duties of the lamp inspector and concluded that with the completion of the present street re-signing project, this one-man department could be eliminated with an annual saving approximating $3,000. The review also urged the extended use of wooden street signs with carved raised letters, which are less expensive to make and maintain and are more visible and lasting than the metal type signs now used. They could be made as a WPA project.

Tax Collector.—The possibility of an annual saving of $9,000 in the tax collector's budget was indicated in the report on that office. Means of accomplishing this were: more extensive use of mechanical equipment already available; installation of a numbering device; transfer of tax records to unit ledgers; reallocation and readjustment of work loads among regular employees and elimination of personnel rendered unnecessary by these suggested innovations. Making the tax collector's position appointive under civil service was also recommended, as was greater diligence in the collection of taxes and prosecution of delinquent taxpayers.

Police Department.—From the examination of police administrative statistics, presented in the review of the police report, it was disclosed that New Haven when compared with twenty-six comparable cities had the greatest number of police employees per thousand population; that New Haven has more foot posts and fewer motor beats than the cities studied; that the average area served by New Haven's precinct station is about three square miles as compared with the average of twenty-six square miles of sixteen cities with an average population only slightly less than that of New Haven; and that the average cost for these cities is $350,000 while the 1936 appropriation for the New Haven department was $800,000. Opportunities for reducing police costs in New Haven by more than $200,000 exist in gradual reduction of personnel, continuance of the present policy of not filling vacancies and of no promotions, elimination of all precinct stations and centralization of administration at headquarters, realignment of beats and more extensive use of the present radio motor cars.

Old Age Assistance Tax.—The review of the old age assistance tax study pointed out the inadequacy of the procedures used last year in making the house-to-house enrollment and in preparing the lists and bills. As a result it was recommended that: these responsibilities be given to the office responsible for compiling other tax lists; a qualified supervisor be appointed; consolidation of positions and of name canvasses be considered; and reporting and listing procedures be revised to expedite the work and to render unnecessary some of the present regular clerks and extra help. The review also indicated a laxity in collection procedures both of the old age assistance tax and the delinquent personal tax which had resulted, April 1, in collection of only 64 per cent of the old age assistance tax in New Haven, although Hartford, Bridgeport, and Waterbury averaged a 78 per cent collection of this tax. Vigorous collection methods, advance preparation for prompt follow-up of delinquents by the tax collector and the use of untried educational media were recommended as means of reducing old age assistance tax delinquency.

Registration and Election Procedures—The summary of the report on registration and election procedures showed that not only were the 1936 appropriations to the registrars of voters more than sufficient for the needs of

this department and did not warrant any increases, but also that opportunities for possible economies existed, namely: further reduction in the number of voting lists printed; storage of type used for these lists; a downward revision of the salaries paid the general registrars and the selectmen; reduction in the number of city-paid party workers used on election days; more extensive use of rent-free rooms for polling places; inspection and erection of voting machines by regular city mechanics without charge; and preparation of permanent fixtures for the polls. These and other recommended changes were estimated to result in an annual saving in excess of $7,000.

Town Clerk.—The summary of the town clerk report reviewed the previously recommended revision of the present method of indexing and recording used in this office. The adoption of a card index system to replace present bound volumes and the installation of the photographic method to eliminate need for typewriter copying will make it possible for the work in this office to be handled more expeditiously and accurately, with eight less clerks and at an annual saving in salaries and supply costs of more than $10,000.

City Clerk.—Re-analysis of the work of the city clerk's office, disclosed that conclusions originally reached in a survey of this department still obtained. As the work of this office was found not to warrant the continued employment of the four present employees, the consolidation of positions of city clerk and assistant city clerk was recommended. A further consolidation of the responsibilities and positions of the town clerk and city clerk was indicated as possible and desirable. The estimated saving was $15,000.

Schools.—While the economy moves of the department of education were regarded as steps in the right direction, the review of the school report indicated that the possibility of economies resulting from the closing of either the Eaton School ($25,000 to $30,000) or the Fair Street School ($11,000) still obtained.

The necessity for remedial legislation was discussed in various reports.

Several recommendations of the bureau made in the above reports have been adopted as well as the installation of a modern budget form, improved annual reporting practices and a model controller's quarterly report. There is much yet to be accomplished, although a reduction of more than $300,000 has been made in the 1937 budget ($9,694,820) by the board of finance, in spite of a restoration of 5 per cent of previous pay cuts.

The paid membership of the association is just under 2,000.

PAUL B. WILCOX,
Executive Director

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Commonwealth Club of California.—The club has rounded the corner into its thirty-fourth year with a membership of 3,150, a reserve fund whose market value exceeds $250,000, thirty active volunteer study groups, a research service which at intervals employs a salaried staff on specific projects and, by way of divertissement, a men's glee club and a men's orchestra.

The club's library now embraces 11,000 books and pamphlets and its reading table carries a list of 150 magazines and newspapers, numbers of which have been preserved in bound form since the San Francisco fire of 1906.

Last June the club's fifth annual award of two gold and three silver medals to California authors of the books considered "most meritorious," both in the fields of research and creative literature, were presented by President Edgar E. Robinson, Professor of American History at Stanford University.

Determined efforts have been made to secure enactment by the mayor and the board of supervisors of San Francisco of a disaster preparedness ordinance designed to provide instant and effective mobilization of all the city's public health, transportation, communications, fire fighting, and other resources in event of such a major catastrophe as a severe earthquake or storm.

During the past year eleven monthly dinner meetings of the club were held to hear reports of study sections on social, economic, industrial, or non-partisan political problems, these reports subsequently appearing in condensed printed form as part of the club's official journal "The Commonwealth." The study sections held a total of 444 meetings with a combined meeting attendance of 6,779 members.

The radio-broadcast, forty-five minute

Friday luncheon addresses by distinguished speakers—an institution now over a quarter of a century old—last year heard sixty-two noted speakers, including Sherwood Eddy, Edward A. Filene, Major General Paul B. Malone, Hon. Manuel Quezon, Hon. Daniel Roper, Dean Roscoe Pound, Hon. James M. Beck, Admiral J. M. Reeves, Hon. Marriner S. Eccles and Dr. Robert E. Spear.

The newly instituted Commonwealth Club junior memberships have shown an encouraging growth. Many men on the underside of thirty years of age have joined the club and become an integral part of the club's research work on public problems.

Projects now being handled by the club's sections, for eventual report to the main body, include: the law of torts, state agricultural labor problems, a highway system to integrate with the two new bay bridges, academic freedom in the schools, chain store tax, a state fish and game management plan, restriction of immigration, industrial relations, mining laws, and a new state constitution.

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Minnesota Taxpayers Association.—The Association has recently completed a study of tax delinquency in the state to determine present trends and to secure the facts upon which to base recommendations to the 1937 legislature with reference to existing laws on tax delinquency and the collection of delinquent taxes. This study included an analysis of the effects of the ten-year payment plan for old delinquent taxes enacted by the 1935 session of the legislature.

During the past few months the Association has conducted a series of district meetings throughout the state. These meetings crystallized sentiment for the Association's legislative program. Among the measures in which the Association is interested are the following: enactment of a law providing (with proper safeguards) for the operation of all local governments on a cash basis; provision of a system of uniform financial reports from all local governments; public hearings on all budgets before adoption; enactment of legislation establishing a sound system of limitations on the power of local governments to incur debts.

The Association has compiled and published the "tax platforms" of all candidates for the state legislature and has conducted an educational campaign with reference to the constitutional amendments before the voters in November.

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Dayton Research Association.—The Association has, during the past year, been principally concerned with methods of keeping the interest in governmental research sufficiently alive to provide support from the community.

To this end, the Dayton bureau has started the publication of a pamphlet, *FACTS,* which has been received with considerable interest and shows possibilities of creating a desire on the part of citizens to know more about public affairs. The pamphlet is greatly condensed, which should be the case when figures and facts are presented for public consumption.

In addition to the scheduled collection and analysis of statistics, the bureau has been preparing a report on the debt of Montgomery County. The report will show both the visible and invisible debt which has been and is being assumed, and will offer suggestions intended to effect a reasonable control of its growth and retirement, more suited to the community than the broader legal limitations.

The bureau is making a continuous analysis of various facts affecting the business life of the community. The material for this record is being furnished by the Chamber of Commerce and the aim is to provide ready and simple analyses for immediate use, rather than a bare record of figures.

A revamping of the by-laws and a general revision of methods of operation of the bureau to meet the changing conditions following the depression is being considered.

CHALMERS C. MILLER, *Director.*

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Taxpayers Research Association of Fort Wayne.—The current issue of *The Research Bulletin* published by this organization, points out that local taxes in Fort Wayne have been reduced 40 per cent in the past five years.

The bulletin states that a major factor in this reduction of local governmental expenditures has been the work of the Taxpayers

Research Association, which was organized not merely to protest against high taxes, but to fight waste and extravagance with an array of facts and analyses by which adequate budgets for good local government at the lowest possible cost could be scientifically determined. Mr. A. C. McCoy, executive secretary of the organization, is a certified public accountant and was formerly county auditor and city controller of Fort Wayne.

In addition to seeing that budgets of local governmental units are adopted each fall in accord with actual needs, the organization continues its work throughout the year. It keeps up-to-date analyses of all governmental departments so that the facts may always be available for use in the work of the Association in carrying out its program. It not only appears before the county tax adjustment board each year but it carefully scrutinizes requests for additional appropriations whenever these requests come up. It watches all receipts and expenditures and proposed bond issues. It appeals to the board of state tax commissioners whenever necessary. Its program represents a scientific plan of tax control by the taxpayers themselves.

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Bureau of Municipal Research of Philadelphia.—The Bureau's contention that the sinking funds of the city of Philadelphia required an appropriation for 1935 of about $7,600,000 was sustained by the supreme court of Pennsylvania in a decision rendered on January 6, 1936. This decision also did much to clarify other points of sinking-fund administration, among them that a separate sinking fund must be maintained for each loan. The city has since paid $1,000,000 of the above amount to the sinking fund commission and is now beseeching the supreme court for permission to pay the balance on the installment plan over a period of seven years.

In its special session of this year, the state legislature gave first approval to a proposed constitutional amendment changing the basis of Philadelphia's borrowing capacity from the assessed valuation of realty and personal property combined to realty alone. The Bureau has long urged such a change and drafted the proposed amendment.

The special session also started on its way a constitutional amendment liberalizing the process of amending the constitution, another change the Bureau has long been urging.

Because of the inability of the Philadelphia Rapid Transit Company to pay the rentals it is under contractual obligation to pay to the underlying companies, various proposals have been made recently for fundamental changes in the transit situation, one a reorganization of the private companies into a single new company, and another the purchase by the city of the private companies. The Bureau has kept the public advised how the city's interests would be affected by these proposals.

A comprehensive report on the finances of the city's waterworks, its rate structure, and desirable changes in present rates is now nearing completion.

Supplementing a study of the city's 1932 delinquent taxes made by the Bureau several years ago, the Bureau last summer made a study of the extent to which the various assessment groups in the central business district had paid the 1932 delinquent taxes during the three and one-half year period from January 1, 1933 to June 30, 1936.

The Bureau has given a great deal of assistance to various state-wide organizations that are working for state civil service legislation. At present the Bureau is preparing for these organizations, among them the Pennsylvania Civil Service Association, a report which they plan to present to the governor outlining a constructive proposal for a merit system for the state.

The director of the Bureau is also serving as a member and as secretary of a state committee to recommend a merit system for the welfare work of the state, including unemployment relief, old age assistance, mothers' pensions and assistance to the blind.

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New York City Club.—Several weeks ago, Allan Seed, Jr., civic secretary of the City Club, reported that during the past year a greater number of members than ever before had actively participated in the Club's civic program. More than 450 members are enrolled on sixteen committees which held 120 meetings at the clubhouse in less than twelve months.

The Club made the usual thorough study of state legislation affecting New York City. Several special committees were established and the board of trustees received reports on several hundred bills. In several instances representatives of the Club spoke at public hearings in Albany on behalf of important bills. A municipal legislation committee performed a similar service in connection with local laws.

The Club played a prominent part in the successful drive to secure passage in November 1935 of the county home rule amendment. The Club financed and conducted a state-wide publicity campaign on this important measure.

The City Club has played a leading role in the campaign to secure a new charter for New York. The most recent activity in this connection has been the establishment of a clearing house for speakers on the new charter, the organization of a program for training speakers and participation in a city-wide educational campaign.

Several statements to the press were issued by the Club with reference to the need for a comprehensive sewage disposal program to eliminate harbor pollution. The Club has renewed its attack on inadequate zoning laws and is sponsoring an ordinance designed to curb uneconomic, speculative building and land crowding.

The organization also took the leadership in establishing a joint committee representing civic, recreational, and social agencies to draft a comprehensive report for the guidance of the authorities in charge of the World's Fair to be held in New York in 1939.

A bill has been drafted by the Club to establish a "New York Scotland Yard" which, it is believed, would enable the city to cope with organized vice and racketeering.

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The Toledo Commission of Publicity and Efficiency.—The advent of council-manager government in Toledo has resulted in a busy year for the Commission. The new administration considers the Commission in its true aspect as a consultant on municipal problems, especially as regards the compiling of data and statistics on standards of administrative operation. To this end the Commission has been, and is, conducting a number of widely diversified studies, several on its own initiative, and some at the request of the city manager, which have for their purpose the bringing to light of all of the facts surrounding several important administrative functions in an effort to determine whether or not past and present methods are giving the city the most for each dollar expended.

Perhaps the most important activity in which the Commission is involved is the preparation and compilation, in coöperation with the city manager and the secretary of the civil service commission, of a complete classification of all positions in the municipal service, together with comparable salary data from local private business and from other cities in the same population range. For the past several years municipal expenditures for personal services have exceeded 75 per cent of the total expenditures for operation. The absence of satisfactory job specifications, personnel arrangement, and a sound and tenable salary program has meant that seventy-five cents out of each operating dollar has been more or less blindly spent. In the belief that the correct way to handle the problem of sound budgeting is through a thorough analysis of the largest item of expenditure, personnel activities have been completely studied and a proposed classification program is about to be released.

Incidental to the problem of reclassification is the revision of the rules and regulations of the Toledo civil service commission. The commission of publicity and efficiency is compiling at the present time much information upon which a model set of civil service rules may be predicated.

Several research studies are being carried on with the aid of the WPA. Among these are a survey on all tax exempt property within the city; a study of all minor highway privileges and street encroachments (now completed, but not reported); a survey of all municipally owned property, especially park triangles and minor parcels wherein municipal ownership was not a matter of current municipal records; a study of the costs, methods and efficiency of street cleaning; a study of health inspection services; a survey of sewage treatment and disposal; and several minor studies designed to show the true cost of operating several municipal activities.

During the months of June and July the

Commission made a survey of the collection of garbage within the city. It is believed that this survey produced the first fairly accurate cost determination that has been made in Toledo for many years. The results of the survey pointed out several defects in the present program and incorporated recommendations for the betterment of the service. It is believed that the recommendations will be adopted entirely before the beginning of the next heavy collection season.

H. P. Ells, *Secretary.*

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St. Louis Governmental Research Institute.—During the year the Institute has broadened its field of activities to include studies of the state government and of the government of St. Louis County. Studies under way on the state government include analyses of receipts and disbursements in the general revenue fund and studies of the yield and disposition of the revenues from sales and liquor taxes. A study is also being made of state budget procedure with the view of setting up a classification of receipts and disbursements and an outline for a budget document which would contain a complete picture of receipts and appropriations for all the various funds.

In St. Louis County studies are being made of administrative procedure and bills are being drawn for the next legislature, designed to bring about desirable improvements. A complete new accounting system has been designed and is now before the officials for approval. Plans are under way also to draft a constitutional amendment which would permit the voters of the county to adopt a charter form of government.

Considerable time has been given to the problem of relief administration and relief financing in the city. The need for securing additional relief funds has resulted in suggestions to put on a drive to collect delinquent taxes to supplement available revenues and to request additional aid from the state through additional appropriations from the sales tax and other emergency revenues.

Two men have recently joined the staff as senior staff members. Mr. Hubert W. Stone came to the Institute in August from Harrison, New York, where he had been serving as cost accountant for the educational building study of the regents' inquiry. For two years prior to that he was comptroller of the town of Harrison, New York. Mr. Fred W. Talbot was formerly staff engineer for the Erie County Taxpayers' Association and, more recently, was engineer and assistant superintendent for the Pennsylvania Park and Harbor Commission at Erie, Pennsylvania. At the present time Mr. Stone and Mr. Talbot are engaged in making studies of county government and the preparation of legislation to be presented to the legislature next January.

Carter W. Atkins, *Director.*

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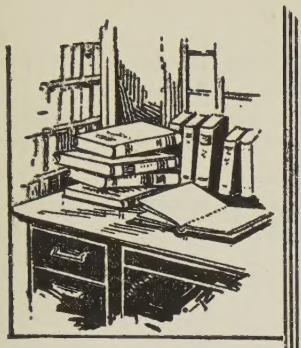
Research Department of the Portland (Oregon) Chamber of Commerce.—The research activities of the Portland Chamber of Commerce are conducted chiefly by the Research Council comprising more than sixty attorneys, business men, economists, educators, engineers and physicians, and the staff of the Research Department. Projects requiring extensive study by men possessing special qualifications for such study are carried forward by committees of the Research Council assisted by the Research Department. Current demands by or through the various departments of the Chamber, from members of the Chamber of Commerce and others for industrial, economic and business surveys, and for a wide range of authentic factual data, are met by the Research Department.

Among the more important reports prepared during the fiscal year 1935-1936 were those dealing with: Oregon-Washington-California Tax Systems; the Master City Plan; Development of Forest Industries; Economic Factors Affecting Timber Conservation in Douglas Fir Region; Oregon Economic Problems; Business and Industrial Development and the Oregon Pressure Groups.

During the past year the manager of the Research Department served as executive secretary of a special committee on social security which spent several weeks in an extensive study of the subject and assisted in drafting the Oregon social security act.

The Governmental Research Committee of the Research Council and the Research Department are at this time engaged in the analysis of numerous initiative measures which will appear on state and city ballots this fall. Among them are two tax limitation measures and proposals for a state bank, and a statewide distributive system for electric power.

Frank Byam, *Manager*



RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

Modernizing Our State Legislatures. By A. E. Buck. Philadelphia, American Academy of Political and Social Science, 1936. 45 pp. Fifty cents.

With the unicameral legislature of Nebraska providing an opening wedge there is some hope that the jam of lassitude may be broken and our state governments will make some immediate progress in improving their legislative systems. Many suggestions have been offered in the last thirty years—Doctor Buck in this pamphlet brings together the most valuable of these, adds to them some of his own and interprets the whole, thus providing a laconic presentation of assistance to legislator, teacher and student of government.

State government, being a form of local government, should resemble more closely in its structure and methods the form and working of local government than of national government, says Dr. Buck. Cities have found it to their advantage to abandon the cumbersome and wasteful bicameral council, have "eliminated the conference committee, curtailed committee parleys behind closed doors, encouraged open consideration and discussion from the floor, brought the executive or manager into closer touch with legislative work and generally improved the quality of local legislation." States can well profit by their example.

Specific weaknesses of the existing legislative system are indicated and methods designed for strengthening them. A reduction in the number of members, better election methods, longer terms of office, provision for recall of members and civil service for legislative employees are among the proposals to improve the quality of legislative membership. There are also suggestions to improve legislative procedure and methods, to curtail the quantity and improve the quality of legislation and to establish party responsibility and executive coöperation. A final section of the study discusses the one-house legislature as it is in Nebraska, as it has been proposed for other states and as it exists in countries outside the United States.

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The Administration of Old Age Assistance in Three States. By Robert T. Lansdale, Agnes Leisy, Elizabeth Long and Byron T. Hipple. Chicago, Public Administration Service, Publication No. 53, 1936, 78 pp. $1.00.

Three states, Massachusetts, New Jersey and New York, had had considerable experience with the administration of old age assistance prior to the federal government's entry into the picture. In this study the systems of administration used by each is described for the benefit of those thirty-nine states now eligible to receive federal grants-in-aid toward their old-age assistance programs and other states which may take advantage of the federal provisions later.

In all three states old-age assistance is administered locally; the established state welfare agency exercises supervision only as a basis for reimbursement by the state to the local governments of part of the cost. Under the New Jersey law, help for the aged is administered by county boards. In New York and Massachusetts, the aged are cared for variously through county, city and town agencies.

Elements of a state supervisory program suggested in the report are: (1) Systematic distribution of rules and regulations as the basis for work manuals to aid local workers; (2) Control of the standards of all local per-

sonnel, preferably through a state-wide civil service or merit plan; (3) Assistance in the organization of local units for old-age assistance; (4) Operation of a field service; (5) Supervision of local fiscal procedures, including advice on methods and systems; (6) State-installed systems of record-keeping and statistics; (7) Provision within the state administration for a formal method of appeal for aggrieved applicants or recipients and (8) Initiation of occasional reviews of the local work (spot audits) particularly in those units where noncompliance with the rules may be suspected.

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National Taxation of State Instrumentalities. By Alden L. Powell, Urbana, Illinois, University of Illinois Press, 1936. 166 pp. $2.00.

Attacking vigorously the immunity of state and local agencies from national taxation, the author proposes that this immunity be removed either by the Supreme Court or by a constitutional amendment. The "touch-not" policy which does not admit of direct interference by taxation on the part of one government with the governmental agencies of another was based on the theory that "the power to tax involves the power to destroy." The author believes that state and local agencies are in no danger of destruction by nondiscriminatory federal taxes and that the doctrine of immunity in this instance is weak and unsound. He proposes grounds upon which may be justified the national taxation of interest derived from state and local obligations.

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City of Buffalo Financing in the Depression. Compilation and Study by the Buffalo Municipal Research Bureau, Inc., 1936. 28 pp. mimeo. Twenty-five cents.

This is a survey of Buffalo's fiscal situation from June 30, 1928 to June 30, 1936. The city's charter was changed during this period and a well defined program to reduce operating expenditures undertaken. The study is presented with no thought of evaluation of the measures taken. It simply shows the path, in many respects a wavering one, of a single city struggling through the morass of the depression.

Financial Statistics of Local Governments in Oklahoma. Oklahoma Tax Commission, Research and Statistics Division, Bulletin No. 19, 1936. 79 pp. mimeo. Apply to the Commission.

The cost of local government, revenue receipts of local governments, the general property tax levies, property tax delinquency, total and per capita assessed valuations and the average tax rates per $100 assessed valuations in Oklahoma are some of the topics treated in this study. The trend of local finances is indicated by an analysis covering the period 1931-1935.

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City Indebtedness in Texas. By J. T. Barton, Austin, University Publications, the University of Texas, 1936. 102 pp. Apply to the University.

This presents a statistical survey of municipal indebtedness in a sample of fifty-eight incorporated municipalities of more than 1000 population in the state of Texas.

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Parking Meters. United States Conference of Mayors, Report No. 121, Washington, D. C., 1936. 16 pp. mimeo. Fifty cents.

Fifteen cities, the majority in the south and southwest, at the time of this report were using parking meters as a method of parking control. Their experience is digested in this report for the benefit of other municipalities considering this method of meeting a growing problem. The study includes typical parking meter ordinances.

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The Legal Status of Parking Meters. Institute of Municipal Law Officers in coöperation with the United States Conference of Mayors, Report No. 12 of the former organization. Washington, D. C., 11 pp. mimeo. Fifty cents.

A discussion of the legal problems raised by the advent of pay-meters to measure legal parking time is timely and helpful. The two most important problems to be settled are whether parking meters interfere with the "free use of the streets" within the meaning of various state statutes and whether the five cent parking fee can be justified under the municipal police power.